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# FAR EASTERN ECONOMIC REVIEW

Vol. XV Hongkong, September 17, 1953. No. 12

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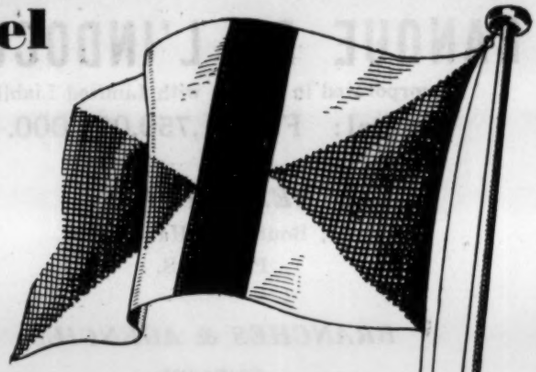

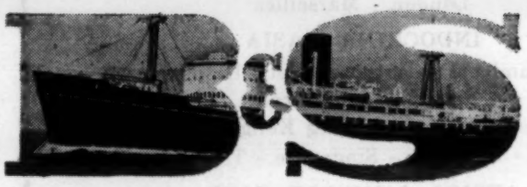


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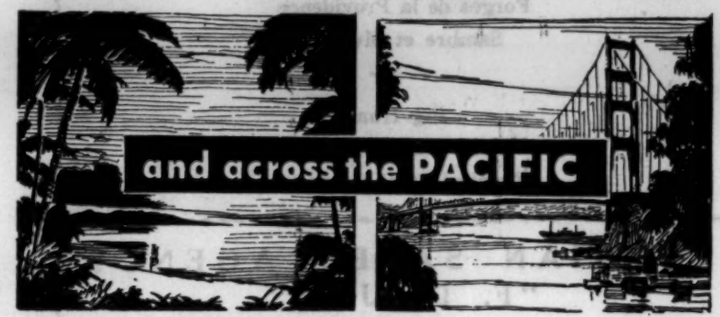


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# FAR EASTERN ECONOMIC REVIEW

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## JAPAN'S PROGRESS TOWARDS NORMALCY

Figures published elsewhere in this issue of the *Review* show the per capita value of trade of the principal trading countries of the world for 1952. Japan, because of an enormous population and of the set-back sustained as a result of embarking upon the last war, stands at the bottom of the list with trade amounting to only US$40 per head for the year. Japan is undoubtedly a poor country, although it is true that visitors to the principal cities see few evidences of grinding poverty among the people. It is, however, clear that the municipalities are in need of funds to enable them to carry out even such elementary projects as road repairs. Other municipal undertakings are no doubt as much in need of overhauling, but to the visitor the roads give the most noticeable evidence of municipal neglect.

To a superficial observer, the people of Japan would seem to be well employed and well-clad. No more is the kimono seen on the streets, instead a universal white shirt and cloth trousers are worn by the men while the women are less uniformly dressed in coloured blouse and skirt or foreign-style dress. However, an idea of the immensity of the problem contained in a growing population without adequate means of expansion is provided by a walk past one of the large colleges in any of the large cities when the luncheon bell sounds. The sight of so many adolescent boys and girls who in another year, or at the outside two, will be looking for employment is overwhelming, especially with the knowledge that it is repeated a thousandfold in every educational centre throughout the land.

No wonder Japan feels the need for trade to maintain her huge population of almost 90 million. Although it is generally conceded that Japan's ills are of her own making, it has nevertheless to be admitted that the time has arrived when an effort should be made to improve the country's position, and that the channels along which this can be done should be opened up as far as is possible without detriment to the economy of other nations.

China has always been Japan's best trading partner. It is, therefore, only logical that Japanese merchants should again turn their eyes in that direction and be preparing to make advances towards Peking in order to take time by the forelock and obtain a foothold before other nations have appropriated a lion's share of the available trade.

The example set by Great Britain in allowing a trade delegation to go to Peking has not been lost upon Japan, and it is hardly likely that she would willingly lose the prospect of an open market almost at her door, requiring the use of a minimum of shipping and ready to absorb an unlimited quantity of the goods turned out in Japan. It is therefore not surprising that several members of the Diet in conjunction with trade experts should be organising a delegation for the purpose of visiting Peking, in the hope of obtaining some goodly orders such as were procured by the delegation from Great Britain, whose example in this respect is well worth following by Japan.

There are a number of members of the Diet whose sympathies incline them towards the formation of a new Sino-Japanese trade agreement; and the invitation received from the Chairman of the Council for the Promotion of International Trade in Peking has given them the opportunity to discuss the possibilities for better trade relations directly with the Peking promoters. It is undoubted that given encouragement

by the two governments concerned and with Japanese manufacturers waiting expectantly at the side door to fill the dire shortage of goods experienced in China, an entrance can be effected.

Japan would like nothing better than to follow the example set by the British, and a Socialist member of the Diet in putting forward the proposal for a delegation did not lose the opportunity of referring to the British example. He also added that such a visit as proposed would help to promote friendly relations, which in official parlance seems to indicate "good trading facilities".

It is, however, essential at this stage that Japan should avoid acting contrary to the wishes of the United States, and much probing of the statement made by Mr. John Foster Dulles a week ago has no doubt been carried out. It would indeed seem that his speech gave a certain directive in regard to the possibilities of Sino-Japanese trade, and consequently the Japanese delegation should be in a position to discuss possible future trading relations with China. With the stage prepared and each party so much in need of the other, it should not be difficult to arrive at a workable arrangement.

## FAILURE OF STATE FARMS IN CHINA

The Chinese Communists have bluntly admitted that the State farms have been a conspicuous failure. They began these farms in the early flush of enthusiasm after the triumph over the Kuomintang forces. Mechanised and semi-mechanised State farms have been established in over 50 places, covering an acreage of over two million mow, with over 27,000 employees and more than 800 tractors of various models. These State farms are all enterprises of a Socialist nature. They were intended to play a great guiding role in the transformation of agriculture from a small peasant economy to collectivization. But the Communist periodical called the "China Agricultural Fortnightly" says it cannot be denied that neither the State farms nor the subsidiary farms have been satisfactorily operated. "We have not yet fulfilled the production task of the State, nor satisfied the demand of the broad masses of peasants, nor played a good role as exemplars. On the contrary, not a few State farms have been detached from actual conditions and from the masses in respect of their operation and management, agricultural mechanical technique, experimental functions, and relationship with the masses. The masses hold that they cannot afford to learn from us because we have more money and more workers. This is because many serious errors and defects still exist in our farms."

It goes on to say that these deficiencies are chiefly manifested in the lack of clarity as regards the policy and task of farm management, the lack of understanding of the basic nature and importance of State farms, and the inability to grasp the direction of their development. Impatience and adventurist progress have produced low output, high cost, and great waste. The bigger the farms the bigger the losses. Output per unit acreage in some farms was in some cases double that of the private peasants, but the cost was several times greater. "Thus, not only have enormous waste and losses been inflicted on the State, but a bad example politically has been given to the peasant masses, for we have been unable to make State farms fully demonstrate the excellence of mechanization in production and thus been unable to convince the peasants."

This situation calls for the utmost study of basic causes for failure, says the paper. Firstly, many of the leading comrades did not understand the Socialist nature of the State farms. They did not grasp the characteristics of State-farm production, over-estimated conditions, and committed the errors of subjectivism, impatience and adventurist progress. They failed to realise that the management must increase output, lower cost and cut out waste. On the contrary, a one-sided struggle for larger output has arisen, lowering of cost was ignored, and "the deviation towards a bread-and-butter attitude has seriously come into existence."

As to the three subsidiary State farms at Hsuangchiao, Wulitien, and Lutai, these mistakes were especially noted. The plans for these farms for 1953 were all money-losing plans, not to mention their inaccuracy. They stressed increased output irrespective of expense. With this objective, they blindly engaged more workers, applied more fertiliser, carried out greater irrigation, and spent more money in order to meet the target set. As a result output was lower instead of higher. At Wulitien the output of cotton was 60% less than the original estimate and the cost 40% more. At Lutai, 75% of the estimated crop was fulfilled and the cost was 23% in excess of estimate and the rice crop was poor. A big sum was spent because many more workers were used to replace seedlings, but the replacement came so late that the harvest was poor. The Lutai farm management did not deliver their rice to the China National Food Corporation in time, but privately transported it to Tientsin, Tsingtao and Peking for sale, and large quantities were accumulated and remained unsold in the following year. They were also overstocked in mechanical instruments, oil, fertiliser, and other resources to the extent of 4,000 million yuan. They handled their funds badly and had to borrow heavily from the bank for which they paid 8% interest. Similar conditions exist in all other farms. If finances are conducted in such a manner, how can losses be avoided? asks the paper.

The organizational structures, too, have been too large and too confused, the personnel too numerous, and the system become too formalized. In 1952 workers and trainees at Lutai totalled 1,754. This year the acreage has been extended, the number of cadres reduced by more than half, and the workers much reduced, but "production has been carried on as usual."

Secondly, many freely indulged in display and discrimination of form. They blindly followed the cities and industry, and mistakenly supposed that economic construction on a large scale meant the construction of many buildings. They insisted on having bricks right up to the roof, although dried mud is the common element in the villages in the North, and cement for the floors. Even for the pigs they wanted green doors and windows with inserted screens, so that the villagers sarcastically called them "pig mansions" and "cow mansions." The Lutai farm also planned to build a big reception house for visitors, and submitted a request for 100,000 million yuan to be invested in capital construction within five years! This had no relation whatever either to current requirements or to the true objectives of creative labour and hard work.

Irrigation led to even greater evils, including great waste of equipment at Lutai. A large electric motor was

used to the extent of only 60% of capacity. It was planned to tear down and rebuild all 110 floodgates without distinguishing between the good and the bad, but in the end it was found that only two needed rebuilding and that the rest could still be used after repairs. At Wulitien they failed to solve the irrigation problem with electrically operated wells, and then constructed a self-irrigation project, still without solving the problem.

In the past three years the investment in capital construction alone in these three subsidiary farms amounted to 80% of the total investment, and it has been so large that no matter how great the output per unit acreage it will still be difficult to deal with the burden of annual depreciation.

Thirdly, leadership in political ideology in the various farms is weak and the standard of the workers low. The tendency of "dispersionism," such as serious lack of organization and discipline, and independent action, has been manifested. If a task was badly done, nobody bothered. Superiors failed to impose strict demands on their subordinates, and the latter lacked a sense of responsibility to their superiors and to the State. The welfare and the hygienic condition of the lodgings of the workers were also ignored by the leaders. Bureaucratism was still prevalent. A certain farm lost money but the management did not know how much. At first they said it was 800 million yuan, and then 3,200 million. Actually the loss was 3,700 million. In March another farm reported a loss of 400 million and then later on corrected it to over 1,600 million. "However the leading comrades are very pleased with themselves when they have achieved some small result, thus producing blind optimism, self-satisfaction and conservatism. They do not strive for improvement in technique, operation or management." And even now, despite all that has happened, the production plans submitted for 1953 were not much better. All three farms budgetted for heavy losses. Hsuangchiao expected a loss of 80 million yuan in raising pigs, and of 50 million in raising chicken. Wulitien estimated a loss of 89 million on pigs and also losses on wheat and cotton crops. The Lutai farm planned to lose 700 million.

The contributor of this criticism snapped his jaws shut and proclaimed that as 1953 is the first year in the five-year construction plan of the State, it must also be the year in which the State farms will conduct effective readjustment. But if State farming fares no better than the State construction plan in this luckless first year it will do little better than it has in the past. It will certainly fail to carry out the basic objectives which were to be examples for the guidance of producer co-operatives and for the influencing of the peasants in the direction of collectivization. And as for training cadres for the operation, management, technical and political work in preparation for collectivised and mechanised agriculture on a large scale in the future, the State farms have been a most abject failure.

# NOTES OF THE WEEK

## HONGKONG'S POSITION IN WORLD TRADE

Travellers visiting Far Eastern countries are as a rule very much impressed with Hongkong's look of prosperity. Compared with twenty or thirty years ago, the consensus of opinion is that on the whole the people look healthier and dress better, and this notwithstanding the large refugee problem with which the authorities have had to contend.

This appearance is not illusory, it is based upon solid facts borne out by statistics. The Statistical Papers covering Commodity Trade Statistics for January-December 1952 recently issued by the United Nations give an interesting table of the trade of various nations, and it is therefore possible to judge the position of Hongkong in this connection. Accustomed as one may be to regarding the Colony as prosperous, it nevertheless comes with something of a surprise to find from this publication that it ranks as high as third on the list when per capita trade is taken as the criterion. Canada comes first with trade valued at US$659 per person in 1952, and Japan last with only $40 per head; Great Britain and the USA are eighth and tenth respectively with trade at $337 and $171 per person.

Of course it must be remembered that foreign trade is only one side of the question where a country's prosperity is concerned, and it is well known that Hongkong as an entrepot finds much trade passing through its port which has little to do with its own exertions in manufacturing.

With regard to such manufacturing industries as have been established in the Colony, however, it is interesting to note from HK Govt. statistics that these have now risen from around 20% to close upon 30% of the Colony's exports for the first half of 1953, so that the basis upon which Hongkong's prosperity rests is sound and bound to grow with the restoration of the world to peaceful conditions.

**Hongkong's Trading Position in 1952**

| | Population (000) | Trade 1952 US$ (000) | Trade per Person US$ |
|---|---|---|---|
| Canada | 13,000 | 8,569,951 | 659 |
| Belgium-Luxemburg | 9,000 | 4,888,306 | 544 |
| Hongkong | 2,300 | 1,168,990 | 508 |
| Sweden | 7,000 | 3,292,230 | 470 |
| Norway | 3,200 | 1,438,114 | 449 |
| Denmark | 4,100 | 1,812,586 | 443 |
| Netherlands | 10,100 | 4,301,959 | 426 |
| United Kingdom | 50,000 | 16,866,057 | 337 |
| France | 40,500 | 8,151,763 | 201 |
| USA | 151,000 | 25,770,277 | 171 |
| Italy | 46,000 | 3,695,681 | 80 |
| Japan | 83,000 | 3,282,010 | 40 |

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## HONGKONG COTTON TEXTILE INDUSTRY

Mr. C. D. Silas, textile engineer and Secretary of the Nanyang Cotton Mill, Limited, recently addressed a local gathering on the above subject. Prior to 1947 there were no spinning mills here. The first spinning mill appeared in 1947, and by 1949 a total of 13 sizeable mills had been erected and put into operation. These mills were constructed according to modern ideas; the machinery housed in them was practically all new, and of the most modern design, laid out in a manner calculated to achieve a smooth flow of production. No skilled or even semi-skilled labour was available. A number of skilled workmen and workwomen were imported from Shanghai to form a nucleus, round which workers drawn from the local labour market were trained and schooled. Today, comparatively few of the original Shanghai workers remain, a large number having been repatriated.

Seven of the spinning mills are also equipped with modern automatic power looms so that both spinning and

weaving is being carried out in these mills as a vertical combine.

The total number of registered workers of all kinds in Hongkong amounts to 101,043. Of these, 35,761 or over 35 per cent are engaged in the textile industry.

The spinning mills, with an aggregate of some 210,000 spindles, work the clock round six days per week and produce between them about 15,000 bales of yarn per month of 400 lbs. each, that is to say, about 72,000,000 lbs. per annum. The cloth production runs to about 13½ million lineal yards per month or roughly 163 million lineal yards per annum. Apart from the 6,000 power looms working, a very considerable number of hand looms, located in back rooms and cottages and spread all over the New Territories, produce excellent fabrics.

A large variety of cloths are manufactured in Hongkong including sheetings, drills, jeans, sateen drills, poplins, matts, osnaburg cloths for flour bags, canvas, webbing and so on. The high efficiency of the industry may be judged by the fact that a very large contract placed with the mills for the British Army against the most rigid specifications and tests, was carried out to the entire satisfaction of the authorities.

During 1952 about 75 per cent of the yarn produced was exported. Textile exports in the aggregate amounted to 63 per cent of the total exports of all classes of goods manufactured in the Colony—total $486,201,622, textiles $308,100,920.

Like most textile centres, the whole of our raw material has to be imported. Raw cotton comes in from Pakistan, U.S.A., Brazil, Mexico, the Argentine, Turkey, Syria, Iran, Egypt, Kenya, Uganda and the Congo. Cotton of various types drawn from these sources are suitably and skilfully blended for the production of individual qualities and counts of yarn.

The bulk of the yarns spun in Hongkong is of 20s. counts, of which the demand is largest. Quite a good deal of 32s. and 40s. yarns are also being produced.

The Factory Ordinance in Hongkong, based on the model of the Act in Britain, with certain modifications to suit local conditions, provides many benefits to the workers and secures their safety as much as possible from moving parts of machinery. The Workmen's Compensation Ordinance, now in course of being translated into law, will ensure that injured workers will be cared for.

Social investment in health, education and housing also forms a substantial part of the industry's planned capital expenditure. The plans are realistic and are all directed towards raising of the workers' living standard and towards bringing about an improvement in the social organisation of the factory as a place of living and human relationships.

Suitable dormitories are provided for most of the workers, free of charge. In addition to free quarters, the mill companies assist materially in the cost of meals, the provision of which is strictly supervised to ensure wholesomeness and a well balanced diet. There are games rooms, reading rooms, libraries and beauty parlours run for the benefit of the workers. A certain amount of work clothing is supplied free and every mill has efficient first aid centres within the compound, together with maternity benefits and hospitalisation schemes.

The average man or woman engaged in the mills makes an apt pupil. He or she is intelligent, quick to learn and industrious. It is a treat to watch the workers piecing up or otherwise handling fine thread on the machines with their very nimble fingers.

The industry has prospered during the recent years of export booms but has now to face grim and intensified competition from Japan and India. The operable number of spindles in Japan amounts to 7,510,000 together with 304,000 looms. India has over 11 million spindles and about 210,000 looms. She has a distinct advantage, since cotton supplies are available within the country and so transport and carriage costs are saved.

The Hongkong textile industry, however, is being conducted by men of courage and vision. Already measures have been taken to cut down the cost of production by technical means and without affecting wages. Nothing daunted, the leaders of the industry, in face of the increasing competition, are planning expansions of plant. By next year we shall see an additional number of about 45,000 spindles, or 20 per cent of the existing total, erected in place.

Combing plant, to enable finer counts of better qualities of yarn to be produced, are now being installed in several of the mills. One particular concern has added a dyeing plant for dyeing yarn in large packages. When all this new machinery comes into operation, the efficiency of the mills, already on a high rating, will be still further improved.

The importance of the industrial section, measured by its contribution to the economic life of the Colony, has reached a proportion which forces itself upon the public mind. This importance will be gradually built up to an extent which will bring it to a level not far removed from the value of the entrepot trade of the Colony. It will take the combination of the two together to secure a stable situation in these rapidly changing times. There is every reason to believe that the cotton textile industry in Hongkong will continue to overcome all obstacles, and that the enterprise of its leaders, the skill of its technicians and the industry of its workers will, together, combine into a force which will make itself felt in the markets of the world.

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## ELECTRIC POWER IN KOWLOON

The rapid growth of electricity consumption in Kowloon was recently outlined by the manager of the China Light and Power Company Limited, Mr. F. C. Clemo, in a talk to members of the Hongkong Junior Chamber of Commerce. In 1913 the area served by the Company covered only two square miles, now it covered 200. In 1913 the output was 500,000 kilowatt hours, while at the end of 1952 it was 249,700,000. The Company is building three large modern outdoor 33,000-volt sub-stations in the New Territories at San Hui, Taipo and Au Tan, and these will eventually connect with the power station via Laichikok, Shamshuipo and Kaupuishek, to the overall improvement of the electrical situation on the mainland.

The China Light and Power Co., Ltd., was registered in Hongkong on January 25, 1901, and was supplying electricity in the city of Canton. The demand in the beginning was 685 small candle power lamps and a large pump for fire extinguishing. In 1909 the concession for the supply of electricity in Canton, together with all equipment, was sold to a Chinese company. In the meantime and in 1903 Kowloon had its first power station with three small diesel sets with generators. The power station was then situated on the site occupied by the railway workshop over the bridge on Chatham Road and in 1913 the first turbo-alternators were added, together with three boilers with a total of 60,000 lbs. of steam.

In 1918 the Chatham Road site was exchanged with Government for Marine Lot No. 93 at Hok Un, where the present old and new stations are situated. The new power station was built in 1939. During all these years expansion was so rapid that in 1932 it was decided to erect the towers and overhead lines and install substation equipment far into the New Territories.

Electricity has played a large part in the very great expansion which is taking place not only within the Kowloon area but also in the New Territories. When the first station was built on the site of Marine Lot No. 93 in 1919 this housed plant with a total capacity of only 3,500 kilowatts. In the year 1924-25 further extensions were made which included a 3,000 kilowatt set, together with its boiler plant and the usual ancillary machinery. In 1925 a further turbine was added making the total capacity 11,500 kilowatts. In 1931 the two small turbines were sold and in their places a further 10,000 kilowatts were added, making the total in 1932 19,500-kilowatts.

In 1938-39 the new addition to the present Station was built and it was considered one of the finest stations in the Far East. At the time the Station was opened it housed a 12,500 kilowatt set with boiler plant overall of 300,000 lbs. per hour. It was at this stage that the outbreak of war in Europe occurred. In the period between then and the occupation of the Colony by the Japanese in 1941, installed capacity on the boiler side was 500,000 lbs. per hour. In 1948 a further turbine set was added, making a total of 50,500 kilowatts.

During this period heavy increases in load were envisaged and it was felt necessary to add another turbo set in 1952, making a total capacity of 67,500 kilowatts at the same time adding to the boiler house bringing the total steam figure up to 860,000 lbs.

At the present moment a further turbo-alternator is being manufactured in the United Kingdom and should be here very shortly and the Station capacity will then be 87,500 kilowatts. A new boiler is now being installed which will give the Company a total steam output of 1,060,000 lbs.

The kilowatt hours turned out in 1952 were 247,000,000. The expansion has not been determined by a demand from any particular section of the community. It has been the direct result in the increase in the requirements of all types of consumers. There has been a great increase in the usage of electricity by cinemas, hotels and tea-houses. At present 28 cinemas are operating in Kowloon.

The latest venture is the laying of a submarine cable which connects Tsing I Island with main overhead line situated near the Texas Oil Co.

To maintain the Company's service a modern transport fleet of four cars, 14 vans, five trucks and two trailers is maintained. All the cars and vans are equipped with the latest radio telephone system making immediate contact with engineers possible and thus improving the Company's service considerably. In 1913 in order to cope with the Company's need the transport fleet comprised one motorcycle and side-car.

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## RICE SUPPLIES IN THE FAR EAST

Rice is so important a commodity in the economy of Far Eastern nations that any decrease or increase in supplies is bound to have a profound effect. It is, therefore, all the more satisfactory to learn that Burma will this year once again be able to contribute to the supply of rice following an increase in production.

Thailand, Burma and Indochina formerly were the chief suppliers of rice to the Far East. The two latter having fallen away in consequence of disturbed conditions, the burden of recent years has fallen mainly upon Thailand growers; consequently the relief felt in many countries as a result of Burma's recovery will be great.

Estimates from the present growing crop are that Burmese exports of rice may amount to 1,600,000 tons, which should equal if not exceed those from Thailand.

Reports from Malaya also forecast that most areas will have an abundant rice crop. An indication of the more settled conditions obtaining in this part of the world is conveyed by the news that a Chinese rice planter on the north coast of Selangor has been producing rice at the rate of one and three-quarters tons per acre, which is regarded as almost a world record. If all rice growers could prove as successful as this planter, there would be contentment on every side.

A Rice Production Committee was appointed towards the end of last year to consider means of increasing the padi acreage and the yield per acre in Malaya. Its recommendations have now been published and include: the payment of a higher standard price for padi; the improvement of output by fertilisation on a subsidised basis; the founding of cooperative milling and marketing societies; an improved system of land tenure in the rice fields; and the provision of staff in the Drainage & Irrigation Dept. to implement existing schemes for extending production.

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## THE LOCUST MENACE

Locust swarms have never been so great a menace to China as they have been to the countries of Africa. At the same time, it is within living memory that on the few occasions when they have invaded this country, even although their numbers were comparatively few, these omnivorous creatures have succeeded in doing a considerable amount of damage. There is all the more reason, therefore, to take heed when a warning is issued by the anti-locust research centre in London that the locust plague has recently assumed alarming proportions.

It seems that very heavy and widespread locust breeding is reported from Ethiopia and South-Western Arabia. Breeding is also in progress in the Sudan, and in the West swarms have been reported almost as far as the Atlantic seaboard of Mauretania. In the eastern part of the invaded area there is breeding in India.

The research centre's statement points out that "the situation is expected to deteriorate still further as national anti-locust organisations of invaded countries are strained to the utmost and may not be able to cover all the danger areas. Moreover control operations in some areas are hampered by tribal opposition to modern control methods. Escapes of the swarms are inevitable and the invasion is likely to spread still further in the next few months. Somalia, Kenya and other East African territories may be invaded within the next two to three months.

"In the West, the fertile North African territories which have so far remained clear may be reached by the swarms before spring. Middle East countries, particularly Arabia, should be prepared by next spring to meet a heavier threat than in previous years. The need for extensive and decisive action on an international scale is now greater and much more urgent than before."

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## THE CITY OF PYONGYANG

Pyongyang, the capital of North Korea, has become well-known as a result of the invasion of the South by North Korean forces aided by Chinese "volunteers". Three years of intensive bombing by the United Nations air force have reduced the city to a shambles, and prisoners of war returning through the city following their release report that it is little more than a great heap of rubble, with the people who still remain living as best they may among the debris.

It is tragic that the innocent should have to suffer in this way for the guilty. At the same time it is good news that the ill-fated city is now to be rebuilt on the

lines of modern city planning, and that Russia has agreed to appropriate one billion roubles for the purpose, while China and East European countries have pledged themselves to donate the balance required.

Pyongyang will long remain in the memory of those who fought in Korea, even although it may never become a show place for visitors. It will exist as a memorial to the first occasion upon which the United Nations went into action as a combined force to resist aggression. The bombardment to which the unhappy city was subjected should act as a deterrent against similar aggression in the future, should any be planned by the Communists.

Also, the long-drawn out negotiations in Korea over the conclusion of an armistice should serve as a warning to the free nations not to permit the peace conference to be prolonged indefinitely. Mr. Walter Bedell Smith, USA Under-Secretary of State, in this connection has pointed out that "the United States is not opposed to a somewhat broader discussion of Asian problems if and when the Communists demonstrate their serious intentions towards the settlement of the specific problem of Korea. But we could not accept the possibility of having other and probably unacceptable conditions attached to this problem."

"The next test is in Indochina," he continued. "We cannot be indifferent to this struggle. It has a direct bearing on our own security, as had Korea."

The free world has yet to be assured of the good faith of the Communists. Until then, it is wiser not to take too much for granted.

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## COOKED-FOOD STALLS IN HONGKONG

An up-to-date move by the HK Urban Council, forming part of a campaign to combat the rising incidence of typhoid fever in the Colony, is the decision to hold a competition to encourage licensees of cooked-food stalls in the eleven urban districts of the Colony in hygiene and general cleanliness, and to improve the conditions under which food is sold from these stalls to the poorer classes of the community.

The competition will begin within the next few days, and at the end of next February a plaque will be awarded to the owner of the cooked-food stall with the highest hygienic standards in each district. These plaques will be held for a period of six months. In addition, there will be an award every twelve months of a free annual licence for the best stall in each of the urban areas over a period of one year. These licences will be granted in October of each year, starting in October 1954.

All stalls will be visited and inspected by the health inspectorate of the Urban Services Department at regular intervals. Points will be awarded for general cleanliness of stalls and their surroundings, for having boiling water available for sterilising purposes, for having dustbins for refuse, for having stall cards displayed, for the absence of unauthorised fokis and for the absence of stools, tables or other obstructions.

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## SQUATTER CLEARANCE AND RESETTLEMENT IN HONGKONG

The HK Government's Squatter Clearance and Resettlement Scheme continues to make steady progress and the population in the resettled areas at the end of July totalled 39,444, representing an increase of 1,252 over the previous month, according to the latest monthly progress report by the Director of Urban Services.

Under the Scheme 7,936 domestic premises, 3,701 of which are of the approved type, have so far been built in addition to 135 shops and 38 factories, 33 of which were operating at the end of the month. A total of 262 domestic premises, four shops and six factories are in the course of construction. There are now eleven schools, twelve churches and nine welfare centres in the resettled areas.

Preparation is nearing completion of the sections of Man Wah Village, Homuntin, which were rendered uninhabitable by fire last January. The work has involved the construction of nearly a quarter of a million cubic feet of retaining walls, excavation of half a million cubic feet of earth, blasting of some 15,000 cubic feet of rock and the transfer of 24,696 granite blocks from Ngau Tau Kok.

Some 143 of the fire victims, mostly from the Social Welfare Camp in Argyle Street, returned to newly-built cottages on the reformed area during July. The cottages, generously donated by Mr. Aw Boon Haw, have been built and arrangements have been made for their allocation by ballot among 51 of the families from the Argyle Street camp.

During the month, two small fires occurred at Shaukiwan and Aberdeen. In each area, one hut was destroyed. Prompt action by Resettlement Office staff prevented a fire in Section 15 of Man Wah Village on July 25 from getting out of hand. The fire was brought under control after six wooden huts had been destroyed.

There was a clearance of 204 huts at North Point and one of three huts at Wuhu Street, Kowloon, during the month. In addition 606 illegal shacks, including ten stone huts, were removed by patrols from previously cleared areas in Hongkong. A total of 269 illegal structures, including 14 of stone, were removed in Kowloon. The number of persons screened by the Social Welfare Office in July totalled 326.

Development of Areas: Man Wah Village, Homuntin, now has a total of 2,188 cottages, 30 more than the figure at the end of the previous month. The population of this village at the end of July stood at 12,272, an increase of 143 over the preceding month. A total of 26 shops and two factories have been built and occupied. The village also has a church. At Homuntin New Village, 382 cottages and 30 shops have been completed and four new cottages are under construction. The population of the village at the end of July increased by 41 to 2,525. This village has four schools and two churches providing educational and religious facilities for the inhabitants.

A total of 402 settlers were registered at Po Man Village, Homuntin, at the end of July, representing an increase of 67 over the preceding month. They are being accommodated in 95 cottages, all of them of the approved type. Twenty-seven new cottages are in the course of construction.

In the Ngau Tau Kok area, work is nearing completion on the road from River Jordan to Sham Wan. Work is also continuing on the approach road to Administration Hill, Fuk Wah Village, whilst terracing on the west side of the Hill has begun. Fuk Wah Village now has 291 cottages, eight shops and six factories as well as a school, a church and a welfare centre. In addition 13 cottages and two workshops are in the course of construction. The population of the village at the end of July stood at 1,385.

A total of 3,118 persons are now accommodated in 866 cottages at Chi Man Village, King's Park. This village also has four shops, a church, a school and a welfare centre, with 125 new cottages and two more shops under construction. Work has started on the access road to the village.

At Wai Man Village, Lai Chi Kok, 214 cottages and two shops have been built, with nine new cottages in the

course of construction. The village also has a school, a church and a welfare centre, and the population at the end of July was 986. Work has started on the construction of side channels in the village, which is to be served by a new bridge at the entrance.

There were 1,017 settlers in Pok Oi Village, Kowloon City, at the end of July. This village has 157 cottages, all of them of the approved type, and eight workshops. In addition, a school, a church and a welfare centre have been built for the inhabitants. At Lok Man Village, To Kwa Wan, there are 102 cottages, housing a total of 500 settlers.

Pui Man Village, Kowloon City Tung Tau, has a total of 2,937 inhabitants accommodated in 638 cottages. In addition there are eight shops and 20 workshops, a school, three churches and two welfare centres, with four factories in the course of construction. Drainage work on the lower section of the area is nearing completion.

On the Island, Hing Wah Village, Chai Wan, now has 1,812 cottages, 50 shops, a school, two churches and two welfare centres; 32 new cottages and two shops are under construction. The population of this village at the end of July was 8,198, an increase of 269 over the previous month.

In the Mount Davis area, 1,184 persons have been resettled in Kung Man Village, where 272 cottages have been completed, with 25 new ones under construction. Kau Man Village, Fu Tau Wat, now has 183 cottages with eight new ones under construction. The population of this village stood at 985 at the end of the month. A total of 1,029 settlers were recorded at Ching Man Village, Sookunpoo, at the end of July. This village now has 247 cottages, with four new ones under construction, and two shops.

Two factories have been built and are now operating in Healthy Village, North Point, the population of which remains fairly steady. The village has 99 cottages, five shops, a school and a welfare centre.

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## THE GERMAN REBUILDING PLAN

Note has frequently been taken of the German rebuilding programme which has apparently succeeded beyond all expectations, although the remarkable organising ability of the German people has long been a by-word amongst the citizens of the world.

The success of this building programme is made the more obvious by the fact that it could not be used by the opposition as a criticism against Dr. Konrad Adenauer's Government in the recent electioneering campaign. On the contrary, it is more than probable that his success in the campaign was due to a large extent to the building effort which has now reached a stage of near completion.

When it is realised that more than 3 million Germans were rendered homeless by the war and that this number has been swollen by another 9 million refugees from East Germany the magnitude of the problem becomes clearer. Indeed the success of the rehabilitation scheme not only accentuates the organising ability to which reference has already been made, but also the keen desire that exists in West Germany to assist their fellow countrymen who have fled from the iron grip of the East.

The co-operation existing between the German people was well illustrated by the building campaign. In those parts of the country heavily damaged by war the population undertook to obtain the necessary building materials as well as food for the workers by bartering foodstuffs. Apart from the building effort, a Federal Housing Act was passed in 1949 which provided for public loans at low interest rates for housing projects and at the same time established rent control. The result was apparently extremely successful and in their desire to rebuild the country the people must have invested all the money they could spare. According to reports, more than 400,000 new houses are expected to be built by the end of this year, aside from work on public buildings.

A total of 1,400,000 homes has been built in West Germany since the end of the war, each home being occupied on the average by four persons. The Federal Government's 6-year plan is designed to erect 1,800,000 new homes by the end of 1955. This remarkable and unique result of good organisation plus a desire to see the country rehabilitated, will have the reward of a contented people. It has not been said what type of house is being erected, whether prefabricated or more permanent structures. Nevertheless the German effort brings the thought that it might be well that countries damaged through the war, even though to a lesser extent, should ask themselves what is the present position of their own housing programme and what are the hindrances in the way of a speedier recovery?

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## CHINA'S LAND POLICY

Despite the unsolved problems of collectivisation in the Soviet Union and in the satellite States, and the drop in agricultural production there despite wholesale mechanisation, Peking is still intent on pursuing this policy though for the present it adheres to peasant ownership. An article by Mr. Teng Tze-hui, Director of the Department of Rural Work of the Party's Central Committee, declared that the chief task of rural work is to develop agricultural production, with greater production of grain in the forefront. In order to achieve this, he said, it is necessary "gradually to change the present system of private peasant ownership of land and replace it, on a voluntary basis, by means of mutual-aid teams and co-operatives, by collective peasant ownership of the land." This is a definite improvement on State collectivisation of the land—modified, however, by suspicion that once the Government has gone so far it will not stop at peasant ownership but will seize all land for the State.

At present the activists in the rural areas are restrained. The Government simply cannot afford their excesses, and the mood of the people is not such as to tolerate this conduct. There were indications during the famine last spring that Peking was seriously alarmed over the anger and truculence of the peasants, many of whom are animated by superstitions a lot older than Marxism. So Teng Tze-hui lays it down that the transformation on the land "must be brought about by a gradual process in accordance with the different conditions existing in the respective localities—that is, through the movement for mutual aid and co-operation and by long-term education of the peasants and through their personal experience which he thinks will draw them into collectivisation of their own will.

"The gradual conversion of our agriculture from a backward, small peasant economy into a Socialist mechanised agriculture in the interests of our many millions of peasantry will be one of the greatest reforms in the world," he proclaimed. We must develop our production and especially the production of foodstuffs. We must improve our work in the rural areas, steadily develop the movement for mutual aid and co-operation, and gradually carry out the Socialist transformation of the small peasant economy

and place the alliance of workers and peasants on a still more solid economic foundation."

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## PEKING'S PUBLIC SECURITY FORCES

At a conference of "first Meritorious Models' Representatives" of the PLA Public Security Forces, which was attended in person by the Commander-in-Chief, General Chu Teh, important instructions were given to the delegates. General Chu Teh pointed out that the public security forces form a constituent part of the People's Liberation Army. On the basis of the general task of the State armed forces, they should perform the task of strengthening national defence and defending the fatherland side by side and in co-ordination with the ground, air and naval forces. In carrying out the general task, he said, the public security forces should be responsible to fulfil the concrete tasks of guarding the frontier, carrying out checkups on the frontier, maintaining social order, eliminating remnant bandits, suppressing counter-revolutionaries, protecting Government organs, and important industrial installations, railways, bridges, warehouses, and garrisoning cities.

"Our fatherland has extensive boundary and coastal lines," he went on. "The public security forces should be always on the alert to defend our frontier. Now there are still some remnant bandits and counter-revolutionaries in China who have not yet been eliminated, and the imperialists continue to despatch special agents to carry out sabotage activities in China. We should be more vigilant to consolidate and strengthen our national defences."

He urged them to "study the advanced experience" of the Soviet Union in military science and military construction, and transform themselves into a military force of high political consciousness, strict discipline, pure organization, excellent military knowledge, professional dexterity, and modern equipment, and "an army of steel permeated with the spirit of patriotism and internationalism." The public security forces, he said, "should also closely depend upon the people and bring into play their initiative, and should not be haughty or impatient, but study whole-heartedly, so as to continue to develop the revolutionary heroism."

There were 159 representatives of Meritorious Models and representatives of ten model units at the conference, which was inaugurated on August 10 in Peking. They came from posts on the frontiers and on the seacoasts, factories and mines, forests and steppes, and cities and villages.

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## WEAKNESSES IN CHINESE COAL-MINING INDUSTRY

The Vice-Director of the Coal Mining Administration in the North-east (Hsueh Chi) made it clear in a special memorandum on the subject that while the advice of the Soviet experts had greatly accelerated work in the industry in the past three years, there were plenty of problems in carrying them out. Sometimes, too, the administration were tardy in adopting their suggestions. Concrete working methods received too little attention and were carelessly carried out. There was often "a struggle between the new (Soviet) concepts and the old (probably Japanese) concepts." If the import and significance of the expert suggestions were not recognised, he said, they simply could not be carried out. At the big Fushun open-cast mine, for example, some of the technical personnel said that conditions were peculiar to these mines and the amount of gas is large: therefore the problem was not one of speed in digging but one of the possibility of digging. Therefore they were unwilling to adopt the rapid digging method of the Soviet experts. The leadership officials ought to have intervened at this stage and supported the experts in every way, ideologically and technically.

Moreover, argued Hsueh Chi, the "superiority of certain advanced experiences" cannot be clearly demonstrated in the initial stage. Thus the leadership cadres must keep themselves "sober-minded" and give all-out support to the popularisation of the "advanced experiences." New methods are also attended with new problems which have to be solved by the leadership officials. In general they had been able to carry out the Soviet experts' ideas but owing to meagre knowledge of the principles of economic construction, some of them failed to foresee the problems that arose. They also lacked firmness in carrying out the ideas. Moreover, the great majority of the cadres came from rural villages or the Army, and because of their lack of scientific knowledge and technique, they cannot well appreciate the experts' suggestions in respect of technical work.

The technical personnel now "realise that Soviet techniques really are advanced," but that did not mean there were no difficulties in practical application. Some cadres were careless and inconsistent. When a certain mine was flooded with water and sand, for instance, the suggestion of a Soviet expert was noted but applied quite differently and failure was the result. The suggestions of the Soviet experts, added Hsueh Chi, are for the reform of production technique, and mostly aimed at changing from clumsy manual labour to mechanised technique. Generally speaking, however, the suggestions of the Soviet experts are supported and carried out by the workers, once everything is explained clearly. This seems to be in a problem in itself, both because of the shortage of interpreters and because of the technical terms and ideas involved. Translation is also a matter of much difficulty.

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## SENATOR KNOWLAND'S ATTITUDE

Senator William P. Knowland, the Republican Senate leader, during a press conference recently held by him in Taipei, spoke of the advisability of forming a Pacific Pact in which, he said, it would be impossible for Britain to participate. The reply to this is that Great Britain might not wish to participate; particularly if British warships are to be sent to the Formosan Straits to protect merchant shipping from molestation by naval vessels of one of the proposed participants in the Pact.

It is greatly to be deplored when men holding high and responsible positions allow themselves the privilege of reviling their allies and thus risk creating resentment on both sides, a resentment that must have a reaction on the world at large. Great Britain and the United States are the two strongest component parts of the free world, and the danger facing the ideals for which they both stand should prevent any petty reviling or intolerance of each other's point of view. They are both independent in their actions as they are in their opinions, and as this freedom is the foundation of their unity and, in spite of Senator Knowland, of their friendship, any criticism of the policy adopted by either should be along diplomatic channels rather than in terms of the soapbox oratory into which the Senator has permitted himself to fall.

It is obvious that the policy adopted by any nation cannot always dovetail closely with that of another, but the freedom to act as each thinks fit should be the yardstick applied. Britain has maintained this policy, even when expressing disapproval of the line followed by her ally; but Senator Knowland and others of his sort have not been so restrained. It would indeed be wisdom for public men to weigh their words carefully in view of the urgent need for the democracies to maintain a united front against the horrors of life under communism, and this point should not be overlooked.

# PRESENT ECONOMIC SITUATION IN JAPAN

The solution of political problems between North and South Korea will be complicated and difficult though a peace settlement will be realized in the near future. There are no changes in the international political situation but the danger for war can be said to have receded for the time being. This as well as a slowing down in business activities in the United States will lead to a weakening of international economic activities. Under these international circumstances, business conditions in Japan have continued in general to be depressed, and the difficulties of medium and small enterprises have been increased. There are few indications of a favourable turn in the export trade in the near future. The provisional budget in force until the enforcement of a regular budget for 1953-54 which is expected to be realized around September has brought about tight money conditions. Industrial production has further increased, registering a new high record, but the prospect of the increase in domestic demand is not favourable.

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The daily average of stock prices quoted on the Tokyo Stock Exchange, which declined on April 1 to Y295.18 owing to the truce negotiations in Korea, has shown some recovery, maintaining the level of Y340. This level is far below the peak of Y474.43 attained on February 4 this year.

Wholesale prices turned firm slightly toward the end of June, reaching a little higher level than in June of the previous year. This firm tone was attributed to an advance in consumers' goods, whilst prices of producers' goods were lower than in the same period of a year ago. Raw materials were dearer than in the previous year, whilst semi-manufactured and finished goods were cheaper; however, prices of raw materials have recently been lower through a decline in coal and other fuels. A greater decline in prices of import goods compared with those of export goods reflects a recession in international business activities.

The index of workers' earnings (1947=100) in May was 861.3, 13.6% higher than in the same month of the previous year. However, the rate of advance compared with the previous year has gradually become small as indicated by the fact that the average for 1952 showed an advance of 18% compared with 1951 which was higher by 28% than in 1950. In medium and small enterprises, reductions of wages have become numerous. The employment index of the manufacturing industry (1947=100) has continued to advance since the beginning of this year, the figure for May when a seasonal decline was usually witnessed registered 104.3, a slight advance compared with the previous month, as against 103.4 in May of a year ago. This increase reveals the briskness of production activities in the manufacturing industries as reflected in the advance of the index of industrial production. By industrial groups, the employment index showed an advance as compared with a year ago in electric machinery, other machinery, petroleum refining, food processing, printing and publishing and furniture manufacturing industries, whilst that of textiles and the chemical industry registered a decline. The above indicates that business conditions have been divergent according to industries, and the advance in production has not been uniform. On the other hand, the employment index has continued to decline due to the depression in coal mining, the figure in May being 89.9, a decline of 4.7% compared with the same month of the previous year.

As regards bank clearings, the average amount in value per case has become smaller, and the number and value of dishonoured bills increased not only of medium and small enterprises but also of several large companies, reflecting tight money conditions. Owing to a delay in the establishment of the regular budget for 1953-54 and the resultant enforcement of the provisional budget, as well as to the inactivity in the export trade, excess withdrawals of government funds during the period from April to June of the fiscal year 1953-54 amounted to Y304.0 billion deducting an increase of specified deposits of government funds with city financial institutions amounting to Y42.0 billion. This heavy excess of withdrawals of government funds has greatly affected the money market; a smaller increase of deposits than that of loans throughout the country necessitated borrowings from the Bank of Japan to meet the shortage in funds, advances by the Bank reaching Y326.2 billion at the end of June (Y251.8 billion a year ago).

* * *

The stagnant development of economic activities is clearly reflected in the various indications above stated. The production index of the manufacturing industry (1934-36=100) advanced in May to 162.9 (preliminary), a new post-war high record, showing an advance of 17.3% compared with the same month of the previous year. This rate of advance was far larger than the 6.6% increase of the average for 1952 compared with that for 1951 but far smaller than the 38.3% increase of the average for 1951 compared with that for 1950 (this heavy advance in 1951 was due to the Korean war boom). A decline in production in May compared with April was witnessed in textiles and rubber goods, whilst other groups mostly showed an increase which was

**Main Economic Indicators**

| | All Banks b) | | | | Price index (Tokyo) | | | Comsumption level | | | | | | | Foreign trade n) ($ million) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Bank a) notes issued (Y billion) | Deposits (Y billion) | Loans & discounts (Y billion) | Bank c) clearings (Y billion) | Stock d) price index | Whole-sale e) prices | Con-sumer f) prices | Ur-ban g) | Rural h) | Wage j) index | Em-ploy-ment index | Indus-trial k) pro-duction Index | In-dex l) of goods traffic | Index m) of depart-ment store sales | Export | Import |
| 1946 .... | 93 | 144 | 146 | 251 | 112.1 | 16.3 | — | — | — | — | — | 30.7 | 92.9 | 29 | 103.3 | 305.6 |
| 1947 .... | 219 | 234 | 168 | 794 | 124.8 | 48.2 | 109.1 | 55.4 | — | 32.9 | 136.2 | 38.3 | 118.3 | 42 | 173.6 | 526.1 |
| 1948 .... | 355 | 505 | 381 | 2,828 | 259.9 | 127.9 | 189.0 | 61.2 | — | 91.9 | 137.6 | 58.5 | 140.0 | 37 | 258.3 | 684.2 |
| 1949 .... | 355 | 792 | 679 | 6,584 | 546.8 | 208.8 | 236.9 | 65.0 | 88.9 | 157.1 | 139.5 | 78.2 | 139.9 | 38 | 509.7 | 904.8 |
| 1950 .... | 422 | 1,048 | 994 | 9,701 | 309.7 | 246.8 | 219.9 | 69.8 | 95.8 | 187.9 | 132.3 | 88.1 | 145.5 | 58 | 820.1 | 974.4 |
| 1951 .... | 506 | 1,506 | 1,517 | 14,786 | 375.4 | 342.5 | 255.5 | 68.9 | 106.8 | 235.2 | 140.4 | 127.8 | 174.1 | 70 | 1,354.5 | 1,995.0 |
| 1952 .... | 576 | 2,223 | 2,128 | 19,486 | 653.8 | 349.4 | 266.1 | 80.2 | — | 272.2 | 139.3 | 136.4 | 173.9 | 91 | 1,272.5 | 2,028.0 |
| 1953 Jan. | 519 | 2,188 | 2,127 | 1,881 | 1,174.4 | 348.8 | 271.3 | 80.9 | 125.2 | 280.0 | 136.6 | 131.2 | 164.4 | 75 | 79.6 | 187.4 |
| June | 516 | 2,296 | 2,370 | 1,928 | 964.9 | 352.0 | 283.4 | — | — | — | — | 163.0 | — | — | 115.3 | 197.2 |

Note: (a) and (b) at year-end or month-end. (c) total throughout the country. (d) August 1946=100. (e) and (f) 1934-36=1. (g) and (h) 1934-36=100. (h) fiscal year and excluding Hokkaido. (i) 1934-36=1. (j) 1935=100. (i) and (j) manufacturing industry only. (k) 1934-36=100. (l) 1934-36=100; paid goods traffic by National Railway Corporation only. (m) 1938=100. (n) figures for 1946 covers September 1945-December 1946.

Source: (a), (b), (c), (e) and (m) the Bank of Japan; (d) Tokyo Stock Exchange; (f) Statistics Bureau, the Prime Minister's Office; (h) and (k) Economic Counsel Board; (i) and (j) Ministry of Labour, (l) National Railway Public Corporation; (n) Ministry of Finance.

most pronounced in construction materials such as timber and ceramics. Factory stocks have in general shown no marked increase.

The relatively small decline in prices notwithstanding the increase of production is attributed to market stabilization measures adopted in several branches. The domestic demand, which supports the production increase, has shown a slowing down to a certain degree, excepting special procurements, and the basic tone of the export trade has not yet been ameliorated. Under these circumstances, production curtailment has now been carried on in various fields; a curtailment of about 40% in steel ingot, pig iron, electric wire, soda ash, etc., and of 40-50% in cotton yarn, cotton fabrics, superphosphate of lime, aluminium metal, etc. Production curtailment is consistent with rationalization through increased production, but it must be recognized that there is danger of over-production if price stabilization measures do not work well.

In mining, coal outputs continued to decline following unfavourable demand and the resultant accumulation of stocks. The production index of mining (1934-36=100) in May was 129.8 (preliminary), showing an advance of only 1.9% compared with the same month of a year ago.

The index of household consumption in urban areas (1934-36=100) was 82.6 in April, 13.6% higher than in the same month of the previous year, and sales of department stores in May registered a gain of 24.6% compared with a year ago. The purchasing power of the nation thus appears to have been raised compared with the previous year. This and the increase of special procurements maintain industrial production at a high level which is also supported by a favourable turn of the electric power situation and stock financing. However, the consumption level in urban areas showed some decline in April, and department store sales declined in April and May. The recent advance of cotton yarn prices is of a temporary nature, principally brought about by speculative operations in some quarters. Prices of cotton fabrics are far from advancing, and sales are stagnant. This is noteworthy as indicating a slowing down in domestic demand.

* * *

It is undeniable that the increase in special procurement contracts constitutes a leading factor in supporting the high level of industrial production. Special procurement contracts amounted to $52 million in June and $285.9 million (dollar basis $211.1 million) during the first half of this year, showing a marked increase compared with the figure of $97.5 million for the first half of the previous year with a monthly average of $16.6 million. Future prospects of special procurements will depend on the development of the situation in Korea and the extent of the demand for Japanese goods under MSA aid. However, it is generally estimated that the annual amount of special procurements in a broad sense of the term will not show a marked change compared with the previous year.

The most important problem confronting Japan is the development of the export trade. Exports showed some recovery from March this year, and the average for the first half of this year amounted to $99.5 million, a slight decline compared with the previous year ($113.8 million), but a little larger than the average for the second half of the previous year ($98.3 million). Imports averaged $193.1 million during the first half of this year as against $165.4 million for the same period of the previous year. The decline in exports was most pronounced in shipments to sterling areas. Foreign currency holdings at the end of April totalled $1,026 million, a decline of $135 million compared with the peak figure in June 1952; the decline in pound sterling amounted to $241 million and that in open-account balances to $50 million, whilst dollar holdings increased by $156 million.

* * *

Flood damage in the northern part of Kyushu is reported to exceed Y200 billion in value: dead and missing persons numbered 1,203, and injured persons 1,168; houses destroyed, half destroyed and washed away numbered 11,421, and partly destroyed houses 23,315; damage to farm land reached 172,120 chobu (421,814 acres). The effects on production and trade will be conspicuous, and the demand for funds, materials and services for restoration will necessarily attain huge dimensions. Materialization of MSA aid, and easy money condition, development of electric power resources and an increase of other economic activities through the disbursement of government funds following the enforcement of the final budget for 1953-54, are expected in the coming autumn. However, the basic tendency of the export trade has not yet been ameliorated, and the future development of the international situation is still uncertain. Under these circumstances, business may not much improve though no further recession is anticipated in the near future.

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# JAPAN'S FOREIGN TRADE

The tendency toward a gradual increase of imports and a stagnant development of exports witnessed since the latter part of the previous year have been ameliorated in so far as the trade figures of the customs house report in May are concerned; imports declined by 5.1% compared with the previous month, whilst exports increased by 16.5%, the excess of imports declining by 22.7%. As regards trade with sterling areas, exports based on customs house reports showed an increase of 21.6% compared with the previous month (those to dollar areas increased by 3.2%, whilst those to open-account areas declined by 10.4%), and those certified by banks an increase of 12.6% (those to dollar and open-account areas increased by 19.2% and 8.1% respectively); imports based on customs house reports registered a decline of 8.4% (those from dollar areas declined by 5.1%, whilst those from open-account areas increased by 18.5%). By commodities, exports to all areas, according to customs house reports and exports certified by banks, showed an increase in leading commodities excepting iron and steel, and the increase was most pronounced in textile goods. The price indices of export and import goods compiled by the Bank of Japan reveal a continued decline of 0.4% in import goods (textile materials only showed an advance of 2.9%), and a slight advance of 0.6% in export goods (textile goods advanced by 1.4%).

The increase in exports to sterling areas was principally to Hongkong, Malaya and Singapore and the United Kingdom; exports to India, Pakistan, the Union of South Africa and Australia also turned to increase, but the only excess of exports during the first five months of this year was with those countries where the balance of trade is usually favourable to Japan such as Hongkong, the Union of South Africa, etc. Consequently, imports from sterling areas during the January-May period amounted to £106.7 million, 50.5% of the target for the calendar year of £211 million following the moderation of import restrictions in sterling areas including those of administrative transfer, showing a rather favourable development; whilst exports during the same period amounted to £43.6 million or only 24.4% of the target of £179 million. Holdings of pound

**Principal Statistics Concerning Foreign Trade and Foreign Exchange**

Exports or receipts

| | | (1) Receipts of L/C | (2) Exports certified by banks | (3) Actual exports | (4) Receipts of foreign exchange: Trade bills | (4) Receipts of foreign exchange: Total (incl. others) | (5) Index of export good prices | (6) Quantum index |
|---|---|---|---|---|---|---|---|---|
| 1950 | | 880.9 | 783.6 | 820.0 | 772.8 | 1,008.3 | 112.6 | 29.3 |
| 1951 | | 1,343.3 | 1,408.9 | 1,354.5 | 1,297.3 | 2,240.6 | 165.5 | 29.8 |
| 1952 | | 1,090.3 | 1,254.5 | 1,272.9 | 1,289.0 | 2,239.1 | 134.9 | 31.1 |
| 1952 | Feb. | 105.9 | 108.6 | 126.4 | 115.9 | 186.2 | 144.5 | 33.9 |
| | Mar. | 113.2 | 152.8 | 122.4 | 130.6 | 208.4 | 137.8 | 34.3 |
| | Apr. | 77.7 | 116.0 | 114.7 | 118.0 | 196.1 | 131.6 | 30.5 |
| | May | 83.1 | 115.0 | 108.4 | 119.2 | 238.6 | 133.2 | 31.1 |
| | June | 68.9 | 88.4 | 103.7 | 106.7 | 186.0 | 134.0 | 30.7 |
| | July | 94.5 | 89.6 | 90.9 | 92.7 | 172.8 | 135.1 | 28.3 |
| | Aug. | 89.9 | 92.3 | 99.7 | 90.9 | 153.8 | 135.2 | 30.6 |
| | Sept. | 87.1 | 88.7 | 98.3 | 87.8 | 165.9 | 133.9 | 29.5 |
| | Oct. | 80.0 | 100.8 | 96.8 | 101.2 | 177.5 | 131.2 | 29.9 |
| | Nov. | 86.0 | 87.6 | 90.3 | 94.2 | 170.7 | 126.5 | 28.2 |
| | Dec. | 80.7 | 84.4 | 113.6 | 90.1 | 165.8 | 126.2 | 36.9 |
| 1953 | Jan. | 75.2 | 81.8 | 79.6 | 90.8 | 156.4 | 127.9 | 26.9 |
| | Feb. | 72.5 | 84.9 | 85.0 | 86.6 | 154.1 | 129.4 | 29.1 |
| | Mar. | 75.5 | 103.6 | 110.9 | 90.2 | 168.6 | 129.3 | *39.8 |
| | Apr. | 81.0 | 88.0 | 95.5 | 94.8 | 172.1 | *126.8 | *33.0 |
| | May | 91.8 | 100.6 | *112.1 | 89.6 | 172.2 | *127.5 | — |
| | June | — | *102.7 | *115.3 | *104.9 | *188.1 | — | — |

Imports or payment

| | | (1) Opening of L/C | (2) Approval of imports | (3) Actual imports | (4) Payments of foreign exchange: Trade bills | (4) Payments of foreign exchange: Total (incl. others) | (5) Index of import good prices | (6) Quantum index |
|---|---|---|---|---|---|---|---|---|
| 1950 | | 597.4 | 872.2 | 974.3 | 645.5 | 677.2 | 107.8 | 32.5 |
| 1951 | | 1,838.6 | 1,963.7 | 2,517.4 | 1,725.1 | 1,909.3 | 136.6 | 47.2 |
| 1952 | | 1,822.3 | 1,981.9 | 2,028.2 | 1,718.3 | 1,924.8 | 122.5 | 54.0 |
| 1951 | Feb. | 130.6 | 122.5 | 146.5 | 135.7 | 147.3 | 133.0 | 42.9 |
| | Mar. | 119.3 | 127.6 | 192.5 | 132.8 | 140.7 | 130.6 | 57.1 |
| | Apr. | 151.0 | 223.1 | 171.4 | 136.5 | 147.3 | 126.4 | 50.2 |
| | May | 168.1 | 106.1 | 177.2 | 135.2 | 147.2 | 121.2 | 53.7 |
| | June | 134.2 | 92.2 | 175.6 | 146.8 | 180.8 | 119.5 | 54.4 |
| | July | 144.7 | 148.1 | 169.5 | 137.3 | 179.4 | 116.5 | 57.0 |
| | Aug. | 148.2 | 150.5 | 153.6 | 127.7 | 138.9 | 117.5 | 48.7 |
| | Sept. | 155.0 | 210.6 | 174.5 | 137.4 | 145.2 | 118.6 | 60.5 |
| | Oct. | 217.0 | 297.8 | 171.8 | 162.6 | 175.8 | 117.7 | 60.5 |
| | Nov. | 174.1 | 155.4 | 164.1 | 171.2 | 184.2 | 116.8 | 59.1 |
| | Dec. | 164.1 | 138.6 | 201.8 | 159.0 | 193.5 | 115.2 | 69.1 |
| 1953 | Jan. | 150.1 | 178.7 | 187.4 | 178.9 | 196.7 | 113.2 | 65.2 |
| | Feb. | 138.4 | 182.9 | 172.7 | 140.6 | 154.7 | 112.6 | 61.7 |
| | Mar. | 189.5 | 262.3 | 186.6 | 156.2 | 169.8 | 112.4 | *67.6 |
| | Apr. | 176.6 | 198.6 | 211.8 | 192.4 | 207.2 | *111.5 | *79.4 |
| | May | 141.0 | *124.3 | *203.4 | 193.2 | 208.6 | *111.1 | — |
| | June | — | — | *197.3 | *188.5 | 214.2 | — | — |

Note: * Preliminary.
(5) July 1949-June 1950=100. (6) 1934-36=100.
Source: (1) and (3) by the Ministry of Finance; (2) the Ministry of International Trade and Industry; (4) and (5) the Bank of Japan; (6) the Economic Counsel Board.

# JAPAN'S TEXTILE INDUSTRY

### Cotton Spinning

1. General status of operation: Output of pure cotton yarn during May amounted to 61,586 thousand pounds (153,964 bales), decreasing from the previous month by 4.5%. Total production of cotton yarn including 472 thousand pounds of mixed cotton yarn amounted to 62,058 thousand pounds or 155,143 bales.

2. Trends of productive factors: a. Equipment, Operable spindles totaled 7,489,293, including 26,555 condenser system spindles, slightly increasing from last month by 10,160. b. Raw materials. Receipts of raw cotton by mills during May were also less than the consumption for this month and accordingly stocks of raw cotton in mills are continuing to decrease. c. Labor. Number of employees or payrolls at the end of May were 103,392, decreasing from last month by 1,403.

3. Delivery of products and their stock condition: The amount of pure cotton yarn delivered during May fell 5% along with the decrease of output. But demand for cotton yarn does not decrease and yarn stocks showed a decrease of 12%, totaling 13,727 thousand pounds.

### Cotton Woven Fabric

1. By Spinner-Weavers: Total output of woven fabrics by cotton spinner-weavers during May amounted to 87,934 thousands of sq. yds. showing 5% decrease under April. (Cotton fabric only decreased by 6%, Spun rayon fabric decreased by 6.5% compared with last month). Ratio of production for export to total output was 70%, and it is almost same as last month.

As to May production, the facts as follows are remarkable. (1) The demand season for summer clothing was almost over. (2) Yarn deliveries by spinners increased due to high price of cotton yarn.

2. By Independent-Weavers: Total output of woven fabrics by cotton independent-weavers during May amounted to 181,618 thousands of sq. yds. showing 4% increase over April. (Cotton fabric only increased by 4%, Spun rayon fabric increased by 1% compared with last month). Ratio of production for export to total output was 28.2%, and it is almost same as last month. As to May production, the facts as follows are remarkable. (1) The demand season for summer clothing was almost over. (2) Production was already converted to thick fabric for winter season. (3) Inquiries gradually became active.

### Synthetic fiber

1. General status of operation: Output of rayon filament increased by 2% as a whole, ordinary 1%, high tenacity 7%, acetate 11% and bemberg 0.4%, caused by seasonal demand for summer use. Staple fiber production exceeded 28 million pounds, registering the highest postwar. Total output of spun rayon yarn increased by 0.8%, of which viscose yarn was almost the same as in April despite the decrease of operation days; acetate yarn increased by 25%.

Organic synthetic fiber output increased by 18% (filament 37%, staple fiber remains the same) in nylon and 1% vinylon compared with previous month, which has been increasing month by month due to quality improvement and demand increase.

2. Equipment (capacity ton per day):

| | Operable | Average capacity in activity | Operation ratio |
|---|---|---|---|
| Ordinary | 204.752 | 168.007 | 82.0% |
| H. T. | 29.355 | 20.180 | 68.7% |
| Bemberg | 26.166 | 9.658 | 36.9% |
| Acetate | 1.240 | 0.510 | 41.1% |
| Filament Total | 261.513 | 198.355 | 75.8% |
| Viscose | 586.338 | 420.427 | 71.7% |
| Acetate | 11.788 | 5.686 | 48.2% |
| Staple fiber Total | 598.126 | 426.113 | 71.2% |
| Nylon | 5.135 | 4.843 | 94.3% |
| Vinylon | 17.579 | 9.693 | 55.1% |
| Synthetic Total | 22.714 | 14.536 | 63.9% |

3. Delivery and stock: a. Delivery was favorable in May, an increase of 8% in ordinary, 15% in high tenacity, 13% in bemberg, and stock of them decreased largely. But the delivery of acetate yarn decreased by 10%, and stock increased by 40%. b. The delivery of staple fiber increased by 14% viscose and 13% acetate, but stock of them increased by 9% due to more production of viscose fiber. c. The delivery of spun rayon increased by 15%, showing a new high postwar; on the other hand, the stock also increased a little, due to output increase which showed the highest postwar.

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sterling at the end of May declined markedly to £18.6 million as against £76 million at the end of last year.

It is reported that the Japanese government solicited the British government in the latter part of May and in the middle of June took measures to meet the above situation. The British government is said to have explained that there was a certain limit to the moderation of import restrictions in view of the changes in demand and the relatively high price level of Japanese goods. This British opinion seems to have been based not only on the actual situation but on an insight into the future prospect of the world economy in connection with the maintenance of sterling value. On the part of Japan, equilibrium of foreign trade on an enlarged scale cannot be expected unless a thoroughly deflationary policy is adopted. Import reduction policies through the development of domestic resources (increase of food and chemical fibre production) have recently been an important issue in a long-term economic program. It is questionable whether such program contains appropriate measures for the realization of import reduction of necessities such as food, cotton and woollen textiles without the adverse effect of a price advance.

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# ESTABLISHMENT OF A SECURITIES EXCHANGE IN TAIWAN

There is no stock market in Taiwan at present; the few daily transactions in stocks of the more prominent corporations such as the Taiwan Sugar Corporation and the Taiwan Power Company are handled by unlicensed brokers. The chief reason for the lack of an organized stock market is the fact that the majority of the corporations in Taiwan are owned by the Government, whose stocks and shares need no public support. A stock market is required only when private participation in investment is solicited.

Secondly, the Government has floated very limited amounts of government bonds during the last two or three years, and they have been absorbed completely by organizations designated by the Government, thus obviating the necessity to establish a stock market. Until this year there had been no serious public discussion on the question of establishing a stock market in Taiwan.

Now that the "Land to the Tillers" program is to be implemented with the impending issue of a series of government bonds and corporation stocks in considerable amounts, the problem of whether a stock market should be established takes a new look. Would it be possible for the Government to float all the bonds and stocks without the medium of a stock market?

It is estimated that there will be a total value of about NT$1,500,000,000 worth of government bonds and corporation stocks that will be eligible for trading in the stock market if it is established. The breakdown figures are as follows:

| | |
|---|---|
| Land Bonds | NT$ 100,000,000 |
| Stocks of 5 Corporations | 1,200,000,000 |
| Rice-Sugar Parity Subsidy Bonds | 200,000,000 |
| Total | NT$1,500,000,000 |

It may be noted that the land bonds are to be issued in terms of rice and sweet potato, not in monetary value, and therefore their actual value will depend upon the market value of rice and sweet potato. The value of land bonds is presently calculated from the assumed average price of husked rice at the year end of 1952 at $160 per 100 kgs. and sweet potato at $38.85 per 100 kgs.

It is estimated that the total amount of land affected by the "Land to the Tillers" program is 162,522 chia, with the annual yield equivalent to 580,000,000 kgs. of husked rice and 268,000,000 kgs. of sweet potato. The value of the land is fixed at two and a half times of the annual yield and therefore it will amount to 1,450,000,000 kgs. of husked rice and 670,000,000 kgs. of sweet potato. At the above-mentioned prices the total value therefore is $2,580,295,000. As the landlords are to receive 30% of the value of their land in corporation stocks and 70% in government bonds, that will mean that they will be paid with stocks to the value of $774,088,500 and bonds $1,806,206,500.

The bonds are payable in ten years with 20 instalments, so that the value of each instalment will be only $90,310,325. The estimate of $100,000,000 as stated above is based upon the assumption that only that portion of land bonds which will mature within the next six months will be listed in the stock market for trading.

The estimate of about $1,200,000,000 worth of corporation stocks which will be put on the stock market is on the liberal side. According to what has been announced by the Government and passed by the Provincial Assembly, the capital stocks of the five public corporations will total $1,154,000,000 in value, consisting of:

| | |
|---|---|
| Taiwan Paper and Pulp Company | NT$ 300,000,000 |
| Taiwan Cement Company | 270,000,000 |
| Taiwan Industrial & Mining Corp. | 250,000,000 |
| Taiwan Fertilizer Company | 184,000,000 |
| Taiwan Agriculture & Forestry Development Corporation | 150,000,000 |
| Total | NT$1,154,000,000 |

Of this $1,154,000,000 value of stocks, the Provincial and National governments own about $960,000,000, out of which about $770,000,000 will be transferred to the landlords in accordance with the land reform program as mentioned above.

The $200,000,000 rice-sugar parity subsidy bonds may not be wholly, or as much as 90%, listed in the stock market all at once.

To those who argue in favor of establishing a Securities Exchange, the reasons appear to be very obvious. It is argued that it is the only way to facilitate capital investment by private investors and to channel idle capital into productive enterprises. It will help to convert stocks, shares, and bonds into liquid assets and so more people will be induced to put their money into the stock market.

Secondly, it is argued that when there is a Securities Exchange, the movement of the market price of stocks and shares will provide a fairly good barometer indicating the state of industries; and therefore, in order to maintain the price of their stocks and shares, these industries must strive to continue improving their efficiency. As a result, for reason of self-survival, industries will become more progressive and enterprising.

Thirdly, it is said that since foreign and overseas Chinese investments in Taiwan are encouraged by the Government, the establishment of a securities exchange would be the best way to achieve this. Whereas at the moment foreign investment will necessitate building of new factories in Taiwan, which entails great administrative work, the establishment of a securities exchange will make investment in Taiwan easy as existing stocks and shares will be available for their investment. This would help to increase their investment in Taiwan.

On the other hand, those who are not optimistic about the beneficial effects of a securities exchange contend that, because of the high market rate of interest in Taiwan, it is doubtful whether the stock market will really be effective in diverting idle funds into productive industries. It is observed, for the same reason, that it is debatable whether the market price of stocks and shares would not be very low if they are put on sale in the stock market. It is believed that, so long as trading business is more profitable than capital investment, there would be little chance that the stock market can be developed to the advantage of the industries.

It is also feared that there will be much speculation if there is a securities exchange. Taiwan is in a state of war-time emergency and therefore should look askance at any measure that may run counter to its present economic and monetary stability. During war-time in the past, all capital markets were closed, as shown in the history of other

countries, and so it would not be advisable to establish a stock market in Taiwan at present.

It is further argued that under the present circumstances it cannot be expected that private investments will be very substantial.

In view of the impending issue of large quantities of government bonds and corporation stocks, it appears that unless a stock market is established to facilitate the transfer of stocks and shares and to absorb part of liquid funds now seeking investment opportunities, no matter how small, an injustice will be inflicted on the recipients of the allotted bonds and stocks under the land reform program. For if there is no ready market for the stocks and bonds, they would be of little economic value presently to the holders. Moreover, if the stock market is managed properly, it will have the effect of maintaining equitable prices for bonds and stocks.

There are several prerequisites to the success of the market. First, the market rate of interest should be lower, as one of the basic difficulties in maintaining the market price of bonds and stocks is the fact that they bear much lower interest rate as compared with the market rate of interest. Both the market rate of interest and the interest rate on bonds and the stock dividends should be kept at an even level, but this should not be achieved by raising the latter, which would be an unbearable burden to the Government and the corporations concerned, but should be done by lowering the market rate of interest. With greater monetary stability achieved, the market rate of interest would automatically come down. As far as the land bonds issued in terms of rice and sweet potato are concerned, the high market rate of interest is not a serious matter; it is so only with corporation stocks and other kinds of government bonds.

Secondly, in order to maintain the market price of stocks in the securities exchange, it is necessary that the net worth of the corporations should first be assessed accurately. Otherwise, the earnings and dividends of the corporation would be very low; and hence their stocks would not fetch good prices. It would be extremely hard for the stock market to keep up the price of stocks whose value has been inflated.

Thirdly, in order to reduce speculation to a minimum, trading in futures should not be allowed, and a margin of at least 50% should be required for any purchase of stocks and shares. Furthermore, not all kinds of stocks and bonds would be listed in the market. All would have to be screened by the securities exchange according to fixed rulings. With these general safeguards, it may be expected that the stock exchange will gradually develop into a healthy organization.

Fourthly, the number of corporations and firms whose stocks and debentures can be listed in the stock market should be sufficiently large if the market is to be made active. In other words, the existence of a sufficient number of industries with good credit standing is a prerequisite to the development of a stock market. The securities exchange will in turn reflect the public opinion on the state of industries and will thus give an impetus to the building-up of more efficient corporations and firms.

Lastly, it should be emphasized that the success or failure of a stock market will depend on how much private funds can be attracted to the market without the support of the Government. Therefore, an estimate should be made of the amount of private funds, both domestic and foreign, which may be attracted to the market, and the amount of stocks and bonds to be listed in the securities exchange should be adjusted accordingly. It is a prerequisite for the successful operation of the exchange market that the quantity of the stocks and bonds traded in the market should not exceed the maximum possible amount of private funds that will be available for supporting them.

**NOTICE**

**THE HONG KONG LAND INVESTMENT & AGENCY COMPANY, LIMITED.**

NOTICE IS HEREBY GIVEN that an INTERIM DIVIDEND in respect of the year 1953 of $2.00 per share, less Tax, on the 750,000 shares of the Company, has been declared payable on the 23rd September, 1953. The REGISTER OF MEMBERS of the Company will be closed from Monday the 14th September to Monday the 21st September, 1953, both days inclusive, during which period no transfer of Shares will be registered.

By Order of the Board of Directors.

R. O. BAKER,
Acting Secretary.

Hongkong, 21st Aug., 1953.

# TAIWAN'S FOREIGN EXCHANGE AND TRADE CONTROL COMMISSION

In pursuance of the Executive Yuan Order for the consolidation of the various agencies dealing with financial and economic matters and as an agency under the Economic Stabilization Board, the Foreign Exchange and Trade Control Commission was inaugurated on July 15th and has since taken over the functions of the following committees: 1. Equipment and Materials Committee under Taiwan Production Board; 2. Production and Finance Committee; 3. Screening Committee on Controlled Imports and Exports; 4. Preliminary Screening Committee on Controlled Imports and Exports under the Department of Reconstruction; 5. Export Promotion Committee under Taiwan Supply Bureau; 6. Preliminary Screening Committee on Ordinary Imports under Bank of Taiwan; 7. Preliminary Screening Committee on Outward Remittances under Bank of Taiwan; 8. Committee for Fixing Rates of Exchange Deposit Certificates under Bank of Taiwan.

A set of regulations was drawn up to govern the Foreign Exchange and Foreign Trade Control Commission. The Commission shall be responsible for the screening of and for making recommendations on matters relating to the following:

1. The exchange rate; 2. The settlement of foreign exchange derived from exports; 3. The promotion of exports; 4. The ordinary outward remittances; 5. The screening and allocation of foreign exchange for general imports; 6. The screening and allocation of foreign exchange for industrial raw materials and equipment required by Government and private enterprises; 7. The imports to be financed with self-provided foreign exchange; 8. Matters appertaining to foreign exchange and foreign trade control; and 9. Other matters referred to the Commission by the Provincial Government and/or other agencies for its consideration.

The Commission consists of eleven members, four ex-officio, namely; Commissioner of Finance (as convenor), Commissioner of Reconstruction, Commissioner of Agriculture and Forestry, and General Manager of Bank of Taiwan, and seven others appointed by the Provincial Government of Taiwan to represent Ministry of Finance, Ministry of Economic Affairs, the Central Bank of China, Council for the United States Aid, the Central Trust of China, etc.

Under the Commission, there are a Secretariat and three Preliminary Screening Committees on (1) Imports; (2) Outward Remittances and (3) Special Cases dealing with such matters as screening of controlled imports and exports, export promotion, raw materials and industrial equipment, etc. The Commission meets once a week to deliberate upon all problems that come within the purview of its functions.

Commissioner of Finance, P. Y. Hsu, outlined the basic policy of the Commission as follows:

1. To promote exports and to regulate imports; 2. To accord priority to imports of industrial raw materials and equipment over manufactured goods; 3. To accord priority to imports of daily necessities over non-essentials and semi-luxuries; 4. To closely co-ordinate imports financed with Government's own foreign exchange with imports under US aid; and 5. To regulate the prices charged by private importers so that their profit, calculated on the basis of the certificate rate, will not be excessive.

Wherever control is applied, there are advantages and disadvantages. This is especially true in the application of control over foreign exchange and foreign trade; because such a control will necessarily cause inconveniences to the traders and other individuals. But if the methods of control are fair, equitable, simplified and reasonable, then the efficiency of control will be increased and inconvenience minimized.

According to Commissioner Hsu, some people maintain that, if only foreign exchange could be made available, then the prices would be stabilized. The determining factor, however, is whether an equilibrium could be maintained between production and consumption. The question of sufficiency or inadequacy of foreign exchange is only relative. If the consumption of foreign goods could be reduced, then the foreign exchange, no matter how meagre it may be, could be conserved. On the contrary, if people should depend solely on imports for their daily necessities, then there will always be deficiency in foreign exchange in spite of a large reserve. Therefore to control foreign exchange effectively, it is necessary to control foreign trade as well. Hence the policy should be to increase the production of exportable commodities and to minimize the imports of consumption goods in order to attain self-sufficiency.


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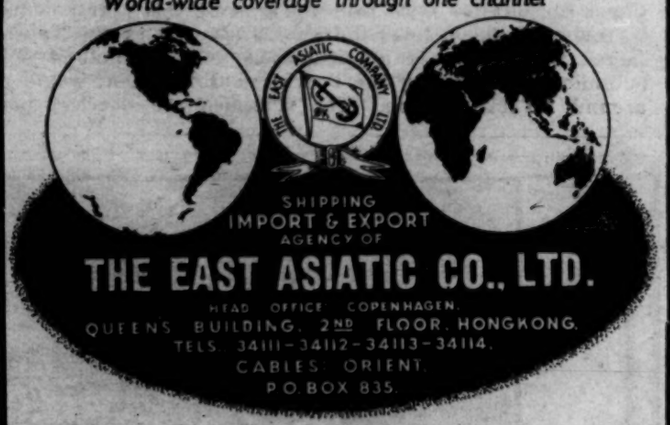


**Branches**

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GRANT

# "RICE & SUGAR PARITY" SUBSIDY OF TAIWAN

To safeguard the interest of the sugar-cane growers and to encourage sugar production, the Government in July 1951 undertook to maintain for the cane growers the price they would fetch for their sugar at a par with the market price of rice on the basis of one catty of rice for one catty of sugar, and to subsidize them with the difference whenever the sugar price paid to them by the Taiwan Sugar Corporation should be lower than the market price of rice. It was decided that the subsidies should be paid by the Government.

The price of sugar paid to the cane-growers by the Taiwan Sugar Corporation is the average of the export prices in the preceding six months. While the export price of sugar has fallen quite heavily since last year, the price paid by the Taiwan Sugar Corporation to the cane-growers has fallen accordingly. On the other hand, the market price of rice has risen considerably in the year. Thus, the amount of subsidy to be paid by the Government has increased to large proportions. A limit was clamped on the subsidy by the Provincial Production Board on March 7th this year, i.e., a ceiling price of rice was fixed at NT$2,400 a metric ton.

It is estimated that the sugar purchased by Taiwan Sugar Corporation from the cane-growers this year amounts to roughly 200,000 tons; the total price paid by the Taiwan Sugar Corporation is approximately NT$270 million, and subsidies to be paid by the Provincial Government would be around NT$220 million. The subsidies are not yet paid to the cane-growers as the disbursement of this large amount in cash would increase the note issue.

To meet the subsidy payment, the Government, after careful consideration of several proposals, has decided to issue bonds, instead of payment in cash, to pay the cane-growers. The bonds as proposed by the Government are to mature in two years and non-transferable. But when the proposed measures were referred to Provincial legislature on July 14th, the bonds were to be made transferable. The measures are briefly as follows:

1. The subsidy shall be paid with cash derived from 18,000 tons of SWC sugar previously transferred by the Provincial Government to the National Government, as well as with bonds issued under the following conditions: a. The bonds are to mature in two years. They are transferable, and can be mortgaged. b. Interest on the bonds shall be 6% p.a. in accordance with the interest declared on the stocks of TSC held by private shareholders, and is payable semi-annually. c. An amortization fund of the bonds shall be provided for in the Provincial Government budget in the relative fiscal years. d. The bonds shall be secured by the Government's stocks of TSC. e. The Provincial Government shall be responsible for completing the legislation of the bonds.

2. Cash payment, in accompaniment of the bonds, shall be apportioned among the cane-growers in a ratio to be fixed according to the amount to be paid to each beneficiary. But preference shall be given to those whose share is small.

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# COMPREHENSIVE CERTIFICATE OF ORIGIN SYSTEM IN TAIWAN & HONGKONG

Since last summer when the American Government applied economic sanction to Communist China and North Korea, a Comprehensive Certificate of Origin System has been enforced to restrict exports originating from Hongkong, Japan, South Korea and Free China (Taiwan). With a view to preventing goods of communist origin from entering America directly or indirectly to obtain US dollars, the American Government, through the "Foreign Assets Control Regulations," placed restrictions on the importation of goods of the following nature:—

(1) All goods in which any person in Communist China or North Korea has an interest;

(2) All goods which, according to past statistical records, always originate from Mainland China or North Korea.

Only with a few exceptions goods of the above two categories are now all considered by United States authorities to be of communist origin (hereunder called "Presumption Goods"), whether they be directly exported therefrom or not, and no import licenses will be issued unless they are covered by adequate proofs. Arrivals at American ports without import licenses are subject to detention by the United States Customs.

By "adequate proofs" is meant such certificates of origin as issued by the government of the exporting countries (private certificates are not recognized). These exporting countries are required first to enter a bilateral agreement with the Government of the United States on the principles and procedures for the issuance of these certificates, and to obtain the agreement of the American Government on every item of the Presumption Goods intended for import into America. Only after the completion of these procedures the Certificates of Origin issued by the exporting countries will be accepted by the United States authorities and importers in America can then apply for the importation of the goods so covered.

As some Taiwan products such as ginger and bamboo shoots are homogeneous with those of Mainland China, and others (such as bristles, water chestnuts, drawn work, embroideries, and lace) have been transplanted here to compete for American market, it is of paramount importance that an adequate system, acceptable by the American Government, should be installed to facilitate the exportation of these products in order to expand Sino-American trade and to aid the undertakings of the overseas Chinese. The Ministry of Economic Affairs has taken note of its importance, and has entered into negotiations with the United States authorities to fix the principles and procedures governing the issuance of the Certificates of Origin, and at the same time the Ministry has compiled a set of regulations for the application of the certificates by the merchants.

Since September 1952 the Ministry of Economic Affairs has been in contact with the United States Embassy in China, the Treasury Department and the State Department in Washington, and after lengthy negotiations an agreement called "General Agreement Concerning the Issuance of Certificate of Origin" was concluded between the Ministry of Economic Affairs and the United States Treasury Department on February 4, 1953. The Ministry further laid down the following administrative principles:—

(1) Exporters in Taiwan are to be informed that for exports which are not considered as "Presumption Goods" in the "Foreign Assets Control Regulations" no Certificates of Origin are required;

(2) For exports considered as "Presumption Goods" the Ministry will first procure the agreement of the United States Treasury Department for their importation into America, and then issue the Certificates of Origin for them accordingly;

(3) If, owing to the absence of specific mention in the Regulations, it cannot be decided to which of the above two classes the goods belong, the Ministry of Economic Affairs will verify from the United States Treasury Department first, and then deal with them according to (1) or (2) as stated above.

The United States authorities have agreed that for the importation of the following 14 articles into America no Certificates of Origin are required:—

(1) Feathers (Taiwan feathers exported to America after having undergone some prescribed processes or those imported from South-East Asia—Hongkong, Macao and Sovietized areas excepted —processed in Taiwan and then exported to America).
(2) Pearl Visca Hat Bodies.
(3) Raw Ginger (not Preserved Ginger).
(4) Linen embroideries, drawn work and lace, positively and officially certified to be processed in Taiwan from raw materials of non-communist areas.
(5) Tea.
(6) Bamboo Leaves.
(7) Bamboo Chopsticks
(8) Cotton-Cloth embroideries, drawn work and lace positively and officially certified to be processed in Taiwan from raw materials of non-communist areas.
(9) Paper Yarn Hat Bodies.
(10) Lintao Hat Bodies.
(11) Hinoki Hat Bodies.
(12) Sisal Square.
(13) Rattan and Rattan-made articles.
(14) Bamboo Table Mat.

The United States Treasury Department has since agreed also that the following 9 items of commodities may be imported into America on production of Certificates of Origin issued by the Ministry of Economic Affairs:—

(1) Water Chestnuts and Canned Water Chestnuts.
(2) Seagrass Squares.
(3) Preserved Eggs.
(4) Salted Eggs.
(5) Bamboo Shoots and Canned Bamboo Shoots.
(6) Ginger Roots, Candied or otherwise Preserved.
(7) Split Bamboo.
(8) Preserved Fruits: Plum, Prune, Olive.
(9) Black Hog Bristles, not over 4 inches.

Most Taiwan products have been included in the 23 items as enumerated above. The Ministry has compiled and revised a set of regulations called "Provisional Regulation Governing the Issuance of Certificate of Origin by the Ministry of Economic Affairs for Merchandise of Taiwan Origin" which has been promulgated by order of the Executive Yuan of the National Government for enforcement from March 30, 1953.

Within three months up to the end of June this year about 80 Certificates of Origin have been issued, the value for the goods covered by them amounting to about US$347,000. The value of exports covered by 70 Certifying Letters issued amounted to about US$190,000. This shows that export trade has been benefited since the implementation of the Comprehensive Certificates of Origin system.

According to the Sino-American agreement all articles of export as enumerated in the foregoing paragraphs may be covered by either Certificates of Origin or Certifying Letters issued by the Ministry of Economic Affairs. Exporters in Taiwan, before loading their cargo for export to America, are required to apply first to the Finance Department of Taiwan Provincial Government for either of

these two kinds of documents, which will be issued by the Finance Department after scrutiny and after the cargo having been actually loaded on to the ship. The exporters can then send the documents to their American importers for use in import clearance with the United States Customs.

The Certifying Letters are used as proofs of origin for all such cargoes included in the 9 items enumerated above that have been shipped to America and detained by the American Customs before the Comprehensive Certificates of Origin system came into operation. The original exporters of these cargoes can apply to the Finance Department of Taiwan Provincial Government for the issuance of Certifying Letters on production of the original documents relating to the exports concerned (such as Inspection Certificates issued by Taiwan Provincial Bureau for the Inspection of Agricultural Products, documents certifying sources of production, exchange settlement documents and shipping documents). These Certifying Letters can be used by the American importers to apply from the Treasury Department for import licenses for these detained cargoes and for their ultimate release by the Customs.

In order to avoid unnecessary losses and to save the Ministry of Economic Affairs extra work, exporters are urged first to verify to which class their cargo belongs, and to follow the regulations as promulgated by the Ministry. In case of doubt they should consult the Department of Commerce of the Ministry by supplying them with the relevant data. To avoid detention by the United States Customs, they should never export doubtful cargo before the Ministry of Economic Affairs has obtained the agreement of the United States authorities to include it in the present list of 9 items.

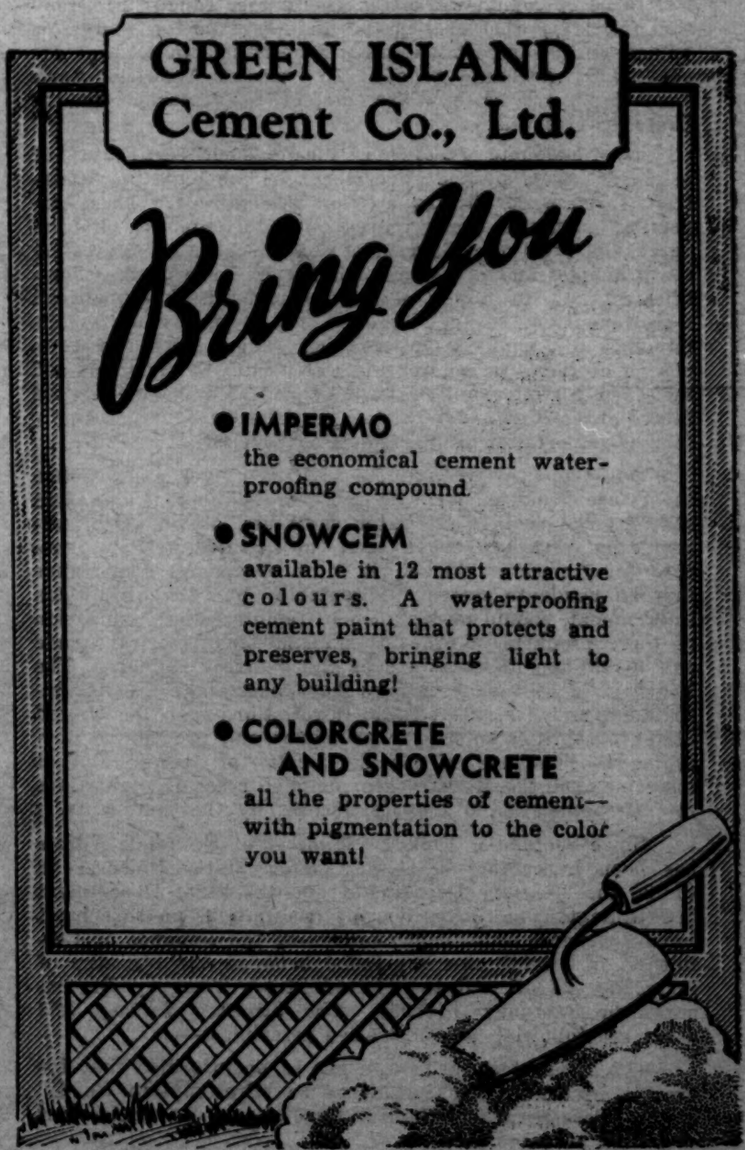
* * *

The comprehensive certificate of origin differs from the ordinary certificate of origin in that the former certifies the origin in respect of production, process or manufacture of any article. The ordinary certificate is not accepted by the United States authorities as sufficient proof of local origin since they do not cover the origin of raw materials used. The comprehensive certificate of origin covers every stage of production, and, therefore, is acceptable without question.

The geography, location and trade patterns of the areas adjacent to the China mainland have posed special problems in the enforcement of a system of controls which would be at once sufficiently stringent to accomplish the object of denying to the Chinese Communists foreign exchange realized from the shipment of goods of Communist Chinese origin into the United States, and sufficiently flexible to permit a flow of trade between friendly areas with the United States, such as Hongkong, Japan, Taiwan, South Korea and other free countries.

An agreement had, therefore, been reached by the United States Treasury Department with the Director of Commerce and Industry of Hongkong Government regarding the general procedure for the importation into America of Hongkong produce and locally-manufactured commodities, which was announced in Hongkong and became effective on January 10, 1953. The American and Japanese Governments, also, concluded an agreement at the end of January last, which has facilitated Japanese exports to the United States under certificate system in compliance with the "Foreign Assets Control Regulations" of the United States. Similarly the United States control of South Korea import has been modified on the 11th of last March; the agreement covers only South Korea hog bristles, used mostly for making brushes.

All merchants concerned with the export trade should take note that the establishment and implementation of the Comprehensive Certificates of Origin system is the result of great efforts made by the Government concerned and that its maintenance and smooth working depend entirely on the co-operation on the part of the exporters. At present nearly all kinds of exports from Taiwan to America can be covered by the necessary Certificate of Origin. The present is the most opportune time not only to increase the exports of special Taiwan products but also to increase the production for export of such goods as used to be exported only from the mainland. This well-established system will be instrumental in increasing the foreign exchange receipts, in helping overseas Chinese to promote trade and in attracting foreign investments to Taiwan. It cannot be over-emphasized that the regulations as promulgated by the Governments should be strictly observed by all concerned.



# HONGKONG TO INDONESIA TRAVEL

The Royal Interocean Lines' vessels plying in the regular and fast service Hongkong/Singapore/Java/Makassar v.v. have recently included in their itinerary, Bali, one of the most beautiful islands in the Far East. Every 2nd and 16th of each month there is an opportunity to travel to Bali with m.s. "Tjiwangi" and m.s. "Tjiluwah" which are well-known for the comfort they offer. These two new sisterships (displacement 13,000 tons) were built after the war and offer accommodation for 98 first class passengers in roomy cabins with or without showers.

Roundtrips from Hongkong are as follows:—

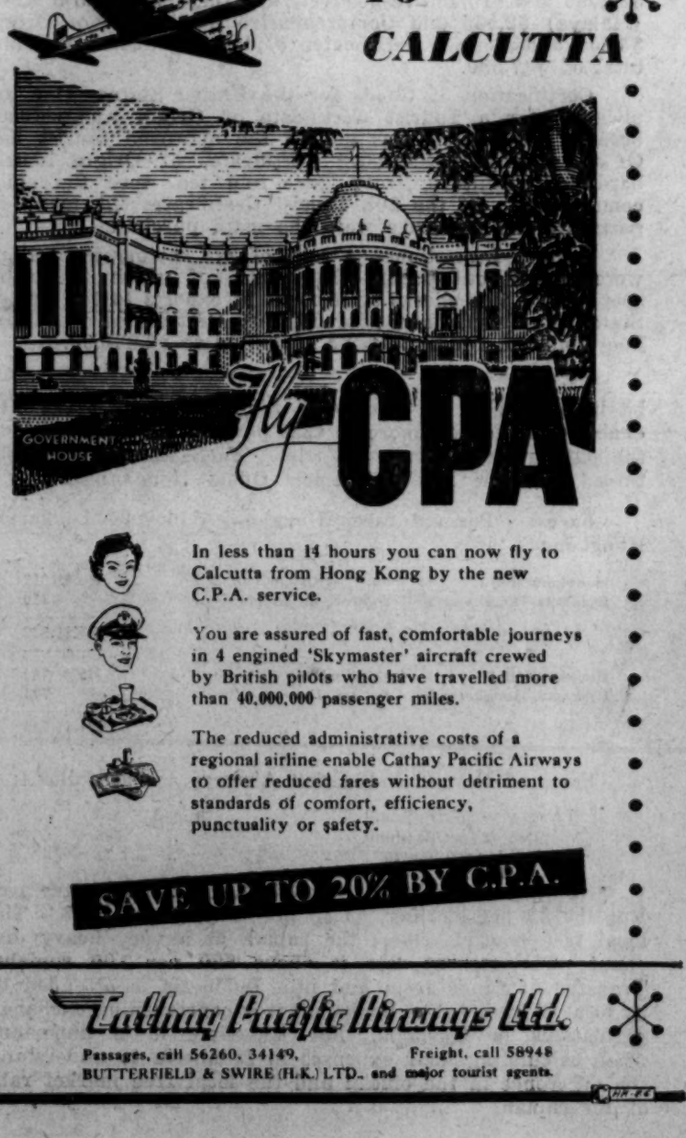
| | | "Tjiwangi" | "Tjiluwah" |
|---|---|---|---|
| Depart Hongkong | | 2nd | 16th |
| Arrival/Departure | Singapore | 6th | 20th |
| " " | Djakarta | 8th/9th | 22nd/23rd |
| " " | Semarang | 10th | 24th |
| " " | Sourabaya | 11th | 25th |
| " " | Buleleng (North Coast of Bali) | 12th | 26th |
| " " | Djakarta | 19th/21st | 3rd/5th |
| " " | Singapore | 23rd/24th | 7th/8th |
| Arrival Hongkong | | 28th | 12th |

The duration of a roundtrip as indicated above is about 26 days. Following this itinerary, there is in Singapore one day for a good look around. In Djakarta, two days which can be used to visit such interesting places as the Museum, the Fish Market, the Portuguese Church, the Holy Cannon and the well laid out residential quarters, whereas detours can be made from Djakarta to Bogor with its world-famous Botanical Gardens, and to the Puntjakpass which is situated in the mountains at an altitude of about 4,800 feet. In Semarang vessels anchor in the roads and it is not possible to go ashore. In Sourabaya passengers can go ashore.

After Sourabaya the ship arrives at Bali. The port where passengers disembark is Buleleng on the North Coast of the Island. Ships do not go alongside and passengers go ashore by motorlaunch. Buleleng is worthwhile seeing. There are beautiful old temples, silversmith workshops, batik industry, etc. From Buleleng one can proceed by car to Den Pasar, capital of Bali. The trip takes about three hours. In Den Pasar the "Bali Hotel" (a hotel under European management) offers excellent accommodation and in its beautifully laidout grounds Balinese music and dance performances are given. From Den Pasar detours can be made into the country to see interesting places like the King's Graves, the Water Palace, the Sacred Wood with its kingdoms of monkeys, Tampeh Siri, the mountain resort Kintamani (5,000 feet) and many others. Hotel rates are as follows:— De Luxe Rooms including meals Rupiahs 100 per person per day, "A" grade rooms 75, "B" rooms 65, "C" rooms 45 rupiahs. Nearly all rooms are fitted with private bath, toilet and verandah. In addition to the above rates, hotel bills are subject to a Government Rehabilitation Tax of 10%.

After a stay of 7 days tourists who wish to return to Hongkong by the same ship, will have to fly to Djakarta to rejoin it, as the vessel by that time will have arrived back there. Djakarta can be reached by Garuda Indonesian Airways which maintains a daily service from Den Pasar. The flight takes from 4½ to 5 hours. Alternatively, if passengers wish to return a day or two earlier, it is recommended to fly to Bandung (2,500 feet), the mountain resort in Java near Djakarta. Bandung offers a cool climate, beautiful surroundings and excellent hotel accommodation in the "Savoy Homann" and "Preanger". (Daily rates including meals are about Rupiahs 65 per person). Another suggestion is to stop over in Den Pasar for a fortnight until the next vessel calls there and to return to Hongkong by sea via Makassar, Djakarta and Singapore.

**Visa:** All passengers of non-Indonesian nationality who visit Indonesia, require a visa, which can be obtained from the Indonesian Consulate General in Hongkong. On an average from four to six weeks are required for a visa to be issued. All passengers except British subjects must

# Hongkong Manufactured Goods

**Exports during July & Jan.-July 1953**

During July exports of commodities including minerals manufactured or produced in Hongkong (recorded separately in the Trade Returns) amounted to a declared value of $58,816,904, or 26.7% of HK's total exports. The principal items in order of value were cotton piece goods $16.1 million; cotton singlets $6.6 million; shirts $6.4 million; cotton yarns $6.4 million; footwear $4.6 million; enamelled household utensils $4.0 million; electric torches $3.6 million; preserved fruits $1.9 million; towels, not embroidered $1.8 million; torch batteries $0.8 million; iron ore $0.7 million; prepared paints $0.6 million; vacuum flasks and jugs complete $0.6 million; and embroidered outer-wear $0.5 million.

Certificates of Origin and Imperial Preference—Certificates of Origin and Imperial Preference totalled 4,552 and 3,091 respectively and with 407 forms 120A (Malaya), 252 Comprehensive Certificates of Origin and 208 Tourist Certificates issued represent a grand total of 8,510, an increase of 1,577 against the previous month.

This was a record month for fees collected for Certificates of Origin and Imperial Preference. They totalled $22,760 and $15,455 respectively and these with Form 120A (Malaya) $2,035 and Comprehensive Certificates of Origin $6,300 and Tourist Certificates $1,040 constituted a grand total of $47,590.

Certification of Goods for the United States—One application for a Tourist Certificate of Origin was refused because the retailer was not on the approved tourist list. Of the 252 Comprehensive Certificates of Origin issued, hardwood furniture, ivory ware and tea were the chief commodities. Of the 208 Tourist Certificates silk made up garments and furniture were the main purchases.

Factory Inspections—A total of 273 factory inspections were carried out during the month, of which 228 were spot and routine checks on account of exports to the United States, the balance being for ordinary Certificates of Origin. Fees collected for inspections amounted to $2,830.00.

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be in possession of "two way" Singapore transit visas to enable them to go ashore in that port during both calls on the outward and homeward trips. Such visas can be obtained from the British Passport Office, Hongkong.

**Fares:** Passage fares Hongkong/Bali and Djakarta/Hongkong:

| | | |
|---|---|---|
| Hongkong/Bali ) Djakarta/Hongkong ) | (cabin with private shower & toilet) | HK$1,012<br>810 |
| | | HK$1,822 |
| Hongkong/Bali ) Djakarta/Hongkong ) | (cabin without shower & toilet) | HK$ 880<br>704 |
| | | HK$1,584 |

Fares of Garuda Indonesian Airways are as follows:

| | | |
|---|---|---|
| Den Pasar/Djakarta | Rupiahs | 510 |
| Den Pasar/Bandung | ,, | 585 |
| Bandung/Djakarta | ,, | 75 |

Exchange in Indonesia is controlled. Official rates are: Rupiahs 32 per sterling, 11.35 per US$, 2 per HK$. The local free market quotes the rupiah at a very heavy discount. The current rate is about $20 per 100 rupiahs. Transfer of funds from and into Indonesia is attended to by local Chinese native banks but it is contravening exchange regulations in Djakarta. For travellers it is important when calculating their expenses in Indonesia to understand the difference in the official and the local free market rate of the rupiah.

## HK MANUFACTURES EXPORTED IN JAN.-JULY 1953

**As Shown Separately in HK Trade Classification Lists**

| 1953 | $ | Percent of Total Exports |
|---|---|---|
| January | 37,617,195 | 14.3% |
| February | 33,503,437 | 14.7 |
| March | 56,024,360 | 19.6 |
| April | 66,890,505 | 24.7 |
| May | 71,739,365 | 26.8 |
| June | 65,372,269 | 27.8 |
| July | 58,816,904 | 26.7 |
| | 389,964,035 | |

Monthly average 1952 ..... $40.5 million

## EXPORTS OF HONGKONG PRODUCTS

**As in Trade Returns for July 1953 with Cumulative Totals for the Year**

| | July 1953 $ | Jan./July, 1953 $ |
|---|---|---|
| United Kingdom | 3,078,643 | 18,284,343 |
| Australia | 516,319 | 3,353,726 |
| Canada | 237,273 | 2,682,533 |
| Ceylon | 830,756 | 3,699,959 |
| India | 1,028,167 | 6,062,263 |
| Malaya | 6,625,589 | 42,132,331 |
| New Zealand | 54,126 | 216,164 |
| North Borneo | 338,811 | 2,311,675 |
| Pakistan | 2,393,194 | 12,511,047 |
| South Africa | 308,987 | 2,271,567 |
| West Africa (British) | 2,046,582 | 8,598,205 |
| East Africa (British) | 2,232,602 | 7,285,475 |
| Central Africa (British) | 1,001,592 | 5,312,289 |
| British West Indies | 635,834 | 3,765,533 |
| British Oceania | 231,948 | 1,538,110 |
| British Common., Other | 469,209 | 5,559,603 |
| Egypt | 4,800 | 5,947 |
| Africa, Other | 879,731 | 4,462,674 |
| U.S.A. | 627,042 | 5,856,336 |
| Central America | 590,267 | 3,652,656 |
| Brazil | — | 24,934 |
| South America, Other | 389,736 | 2,140,102 |
| Burma | 1,390,851 | 9,481,382 |
| China (excl. Formosa) | 53,272 | 193,629 |
| Formosa (Taiwan) | 235,996 | 2,977,022 |
| Indochina | 56,800 | 2,245,914 |
| Indonesia | 19,446,411 | 164,769,288 |
| Japan | 732,962 | 4,341,149 |
| Korea, South | 555,731 | 5,112,584 |
| Macao | 493,639 | 2,700,402 |
| Philippines | 2,423,797 | 10,664,256 |
| Thailand | 7,760,653 | 38,271,577 |
| Middle & Near East | 271,295 | 1,695,471 |
| Central Asia | 7,658 | 26,642 |
| United States Oceania | 366,245 | 1,448,806 |
| Oceania, n.e.s. | 113,943 | 882,132 |
| Belgium | 66,430 | 1,030,369 |
| Denmark | 159,323 | 767,807 |
| France | 600 | 113,046 |
| Germany (Western) | 2,810 | 53,851 |
| Italy | 23,230 | 109,396 |
| Netherlands | 44,305 | 220,015 |
| Norway | 31,337 | 226,879 |
| Sweden | 20,209 | 676,883 |
| Switzerland | 13,545 | 121,527 |
| Turkey | — | 21,193 |
| Europe, Other | 24,654 | 85,343 |
| Total | 58,816,904 | 389,964,035 |

# FINANCE & COMMERCE

## TOBACCO AND THE DOLLAR SHORTAGE

Most of the increase in tobacco production since 1934-38 has occurred in the United States which by 1951 was by far the largest producer, accounting for one-third of world production as compared with just over one-fifth before the war. Output also increased in other dollar countries, mainly in Canada and Cuba, and the share of the dollar area in world output rose from 26 percent in 1934-38 to 40 percent in 1951.

Tobacco: Production and Trade

| Items | 1934-38 | 1948 | 1949 | 1950 | 1951 | 1952 |
|---|---|---|---|---|---|---|
| | | | Metric tons | | | |
| Production | | | | | | |
| World | 2,710 | 3,160 | 3,030 | 2,950 | 3,250 | 3,120 |
| Dollar Area | 740 | 1,101 | 1,136 | 1,032 | 1,281 | 1,220 |
| Trade (Exports) | | | | | | |
| World (net) | 540 | 490 | 570 | 570 | 620 | — |
| Dollar area | 206 | 195 | 233 | 207 | 233 | — |
| | | | Percentage | | | |
| Dollar area as Percentage of World | | | | | | |
| Production | 27 | 35 | 37 | 35 | 39 | 39 |
| Trade | 38 | 40 | 41 | 36 | 38 | — |
| | | | Million U.S. Dollars | | | |
| United States net exports | 101.6 | 136.9 | 165.9 | 173.7 | 240.1 | — |

By 1949, world trade in tobacco exceeded the prewar volume; but exports of oriental cigarette tobacco and of cigar leaf diminished, while exports of Virginia type increased. Prewar the United States, the largest exporter, exported about 200,000 tons (over one-third of its crop); exports were higher immediately after the end of the war but by 1948 were below the prewar level. The increase in the next three years reflected aid received from the Economic Co-operation Administration and reduced exports from Asia and Eastern Europe.

After 1948, a large part of United States shipments to Europe was financed by ECA: in the first phase as much as three-quarters of the imports of United States tobacco into countries receiving aid was thus financed. The share of ECA tobacco was especially large in Italy, Norway, Denmark, and Germany.

Non-dollar importing countries have attempted to reduce this dependence on dollar tobacco. In 1950, about half of the tobacco imported into Western Germany and the United Kingdom came from the United States. The United Kingdom took about 30,000 tons less United States tobacco than before the war and 2,000 to 3,000 tons more from Canada, but larger imports from soft-currency countries more than compensated for the net decrease from dollar countries. Imports from the United States increased substantially in 1951 but were reduced considerably in 1952. On the average 1951 and 1952 imports from the United States were about the same as in 1950 but restrictions on dollar imports are being continued in 1953. To save dollars, Western Germany tried to increase its purchases of oriental tobaccos. West German imports from Greece and Turkey in 1952 represent 25 percent of the total against 21 percent in 1950 and imports from the United States decreased to 47 percent from 51 percent. West German purchases in Greece and Turkey in 1952 indicate an increased import of oriental tobacco in 1953. Southern Rhodesia and India have both increased production, and on average during 1948-51 have sold 40,000 tons of tobacco to the United Kingdom as compared with 16,000 tons prewar. By 1952/53, Rhodesian and Indian exports together are likely to reach 90,000 tons.

India's five-year plan does not provide for an increase in the tobacco acreage. Given favorable prices, a small increase may result; yields can be improved and there are no physical obstacles or labor problems to expansion. In Southern Rhodesia a slow but steady expansion is likely, given favorable prices, but scarcity of labor is a serious limiting factor.

The export unit value for Southern Rhodesian, Indian, and Cuban tobaccos has increased more since the prewar period than for tobacco from the United States, Greece, and Turkey. The sharper increase for Rhodesian and Indian tobacco reflects the increasing demand for cigarette tobacco of Virginia types from countries outside the hard currency area. For India it also indicates a changed composition in the leaf tobacco exports, with an increasing proportion of the higher-paid flue-cured tobacco. The shortage of dollars has undoubtedly limited the demand for United States tobacco, especially of the more expensive grades. On the other hand, substitutes for the light cigarette limited the demand for United States tobacco. On the other hand, substitutes for the light cigarette types manufactured in the United States are only available in limited quantities, and though flue-cured leaves from Rhodesia and India are in strong demand, these countries' supplies will remain limited and may only have a marginal effect on the demand for United States tobacco.

Tobacco Prices Export Unit Values, 1937-50

| Year | United States | Canada | Cuba | Greece | Turkey | S. Rhodesia | India |
|---|---|---|---|---|---|---|---|
| | | | U.S. dollars per kilogram | | | | |
| 1937 | 0.74 | 0.66 | 0.90 | 0.93 | 0.88 | 0.56 | 0.23 |
| 1938 | 0.70 | 0.73 | 0.81 | 0.93 | 0.74 | 0.57 | 0.25 |
| 1939 | 0.44 | 0.69 | — | — | 0.70 | 0.56 | — |
| 1940 | 0.52 | 0.50 | 0.83 | 0.67 | 0.64 | 0.60 | — |
| 1941 | 0.59 | — | 0.93 | 0.64 | 0.74 | 0.75 | — |
| 1942 | 0.80 | 0.59 | 1.14 | — | 0.89 | 0.77 | 0.25 |
| 1943 | 1.00 | 0.66 | 1.44 | — | 1.71 | 0.86 | 0.24 |
| 1944 | 1.16 | 0.80 | 2.29 | — | 2.04 | 1.09 | 0.50 |
| 1945 | 1.15 | 0.87 | 2.76 | — | 1.96 | 0.94 | 0.57 |
| 1946 | 1.25 | 1.03 | 2.23 | 2.28 | 1.79 | 1.39 | 0.55 |
| 1947 | 1.13 | 1.13 | 2.32 | 2.15 | 1.54 | 1.45 | — |
| 1948 | 1.12 | 1.12 | 1.85 | 1.97 | 1.29 | 1.47 | 0.75 |
| 1949 | 1.08 | 1.21 | 2.19 | 1.59 | 1.17 | 1.06 | 0.59 |
| 1950 | 1.28 | 0.94 | 2.30 | 1.28 | 1.22 | 1.19 | 0.64 |

Under these circumstances, tobacco imports into European countries may continue to draw heavily on dollar earnings. Moreover, as long as dollar imports are restricted, the cigarette industry may be interested in increasing imports of oriental-type cigarette leaves to the extent that consumers' taste will permit.

## FATS, OILS, AND OILSEEDS AND THE DOLLAR SHORTAGE

From an annual import surplus of about 600,000 tons of fats, oils, and oilseeds in terms of oil in the mid-thirties, the dollar countries shifted to an export surplus of about 500,000 tons in 1948-51. In terms of value, the shift was from about 80 million dollars net expenditures per year to about 200 million dollars net receipts.

The leading world importer of fats, oils, and oilseeds, both before and since the war, has been Western Europe. Ten major importing countries of Western Europe in 1938 took about 3.9 million metric tons of fats, oils, and oilseeds in terms of oil. This may be compared with 0.9 million tons for North America (the United States and Canada) which was the second largest importer. World primary exports in 1938, including whale oil from the Antarctic, totalled 6.1 million metric tons.

A small part of the prewar imports into Western European countries consisted of intra-regional trade, chiefly of Danish and other butter going to the United Kingdom. There were also substantial imports of fats and oilseeds from Eastern Europe. But by far the greatest quantities of imported fats, oils, and oilseeds came from the Far East, South America, and Africa. North American imports were also very largely from these three areas. Most of the import surplus of the dollar area in the prewar period was accounted for by the United States, Canada and Mexico,

and most of the other American countries of the dollar area also had import balances. The Philippines, however, had a substantial export surplus of copra and coconut oil.

Countries exporting half a million tons or more in 1938 of fats, oils, and oilseeds in terms of oil were India, Indonesia, China, and Argentina; together these countries accounted for about 40 percent of world exports. Whale oil from the Antarctic also contributed more than half a million tons. With changes in production and consumption since prewar, none of these four countries has averaged half a million tons in recent years. However, exports from the Philippines and British West Africa now average around half a million tons, reflecting increased production.

Trade of the Dollar Countries in Specified Fats, Oils and Oilseeds, in terms of Oil, 1934-38 and 1948-51

Import Balance — ; Export Balance

A - Volume

| Commodity | Average 1934-38 | 1948 | 1949 | 1950 | 1951 |
|---|---|---|---|---|---|
| | Thousand metric tons | | | | |
| Olive oil | — 55 | — 24 | — 15 | — 48 | — 26 |
| Soyabeans | + 8 | + 21 | + 89 | + 63 | + 53 |
| Soybean oil | — | + 31 | + 154 | + 126 | + 210 |
| Groundnut oil | — 53 | + 10 | + 28 | + 14 | + 17 |
| Cottonseed oil | — 60 | + 7 | + 17 | + 14 | — 1 |
| Palm kernels | — 18 | — 13 | — 11 | — 7 | — 4 |
| Palm-kernel oil | — 21 | — 8 | — 4 | — 17 | — 17 |
| Palm oil | — 164 | — 33 | — 39 | — 31 | — 51 |
| Copra | + 26 | + 77 | + 60 | + 138 | + 196 |
| Coconut oil | — 5 | — 2 | + 10 | + 1 | + 18 |
| Linseed | — 164 | — 52 | + 75 | + 65 | + 52 |
| Linseed oil | — 6 | + 30 | + 23 | + 15 | + 3 |
| Perilla seed | — 0 | — | — | — | — |
| Perilla oil | — 26 | — | — | — | — |
| Tung oil | — 59 | — 61 | — 30 | — 51 | — 14 |
| Castor beans | — 24 | — 59 | — 57 | — 50 | — 27 |
| Castor oil | — 1 | — 3 | — 5 | — 23 | — 42 |
| Lard† | + 70 | + 78 | + 184 | + 112 | + 242 |
| Tallow | — 32 | + 10 | + 151 | + 167 | + 178 |
| Total volume | — 572 | + 126 | + 630 | + 488 | + 687 |

B - Value

| Commodity | Average 1934-38 | 1948 | 1949 | 1950 | 1951 |
|---|---|---|---|---|---|
| | Million U.S. dollars | | | | |
| Olive oil | — 13.7 | — 20.0 | — 11.7 | — 24.8 | — 17.9 |
| Soyabeans* | — 0.6 | + 34.3 | + 108.6 | + 69.3 | + 137.3 |
| Peanut oil | — 6.0 | + 6.7 | + 9.8 | + 4.9 | + 7.9 |
| Cottonseed oil | — 7.3 | + 4.6 | + 5.6 | + 4.7 | — 0.2 |
| Palm kernels* | — 5.2 | — 10.6 | — 7.1 | — 8.8 | — 9.5 |
| Palm oil | — 12.0 | — 13.1 | — 11.2 | — 7.5 | — 19.3 |
| Copra* | + 2.0 | + 34.2 | + 20.4 | + 42.8 | + 70.2 |
| Linseed* | — 23.2 | + 54.4 | + 63.3 | + 35.7 | + 32.2 |
| Perilla seed* | — 3.4 | — | — | — | — |
| Tung oil | — 14.0 | — 27.1 | — 12.1 | — 23.9 | — 9.4 |
| Castor* | — 2.7 | — 22.0 | — 15.6 | — 20.2 | — 30.5 |
| Lard | + 13.0 | + 44.2 | + 59.1 | + 32.6 | + 89.3 |
| Tallow | — 4.1 | + 3.8 | + 36.5 | + 32.2 | + 57.7 |
| Total value | — 77.2 | + 89.2 | + 245.6 | + 136.8 | + 307.8 |

† The quantitative share of non-dollar countries has been computed by applying their percentage share in global export values to global exported quantities. — * Including oil.

The war cut off a large part of Europe from its normal imports of fats, oils, and oilseeds, while the curtailment in imported feedstuffs reduced domestic production of animal fats. Although oilseed crops were expanded, this could only offset a small part of the reductions in other supplies. In the United States, with imports from the Far East no longer available, and imports from South America uncertain, production of soybeans, groundnuts, and linseed was encouraged by government programs. Production of slaughter fats also rose, reflecting increased livestock production and efforts to salvage more of the fat from slaughtered and fallen animals. The United States became a major supplier of fats to its wartime allies.

After the war, exports from non-dollar sources have remained lower than before the war, partly because of lower production in some producing countries (e.g. Indonesia and Argentina) together with increased domestic consumption in others, the outstanding example being India. The United States has emerged as the world's largest exporter of fats and oils. On the one hand, there has been a massive increase in United States production of soybeans, linseed, lard, greases, and inedible tallow. On the other hand, internal markets for fats and oils in industrial uses have been adversely affected by the development of new competing products, especially synthetic detergents.

Mainly as a result of the increase in soybean production, the United States now has a large surplus of liquid edible vegetable oils that is exported principally in the form of soybeans, soybean oil, and cottonseed oil. These are in addition to lard, which has always been exported from the United States but in larger quantities now than in the years immediately preceding the war. In the prewar period, the United States had an import balance of liquid edible vegetable oils (including oilseeds in terms of oil).

Before the war, the United States imported enough Argentine linseed to provide for about half of the linseed oil consumption. Since the war, however, the United States linseed area has been maintained at a high level, partly through government price supports for linseed. There has been a marked improvement over prewar in the yield per hectare. As a result, the United States is self-sufficient in linseed and linseed oil, and has exported moderate quantities in recent years.

With world production of palm oil now back to about the prewar level, the displacement of palm oil in soap in the United States has resulted in the availability to Europe of a greater quantity of palm oil than before the war. European imports of coconut oil (including copra in terms of oil) also have increased over the prewar level because world production is now above prewar and the United States is taking somewhat less than before the war. Part of the increased European imports of copra has come from the Philippines, with the result that the export balance of the dollar area for copra and coconut oil was materially larger, in terms of oil, in 1951 than in the prewar years.

**Outlook**

Exports of Philippine coconut oil and copra are likely to continue to fluctuate around an average of 450,000 to 500,000 metric tons (oil equivalent) annually. These exports are unlikely in the near future to exceed the 560,000 tons exported in 1951, because prices of copra and coconut oil early that year were at the postwar peak and coconut groves had not been damaged by unusually destructive typhoons since December 1947. Since the dollar area itself usually takes 300,000 to 350,000 tons (oil equivalent) from the Philippines, the net exports from the dollar area probably will average about 150,000 tons. There have been wide fluctuations in this figure in recent years.

Continued large exports of lard, tallow, and greases from the United States are likely. These depend primarily on pig and cattle slaughter, which probably will be large in coming years in response to strong consumer demand for meat.

The probable trend of the United States export surplus of edible vegetable oils (including soybeans in terms of oil) is difficult to appraise. A major determining factor will be the government policy with regard to restriction of cotton acreage. Cottonseed oil in recent years has constituted around 35 percent of the total United States production of edible vegetable oils. With exports of these oils averaging around 15 percent of production, a substantial reduction in cotton acreage would materially affect the exportable surplus of edible vegetable oils. Production of soybeans, from which well over half the total United States production of vegetable oils has come in recent years, is likely to remain at a high level. Soybeans are well adapted to the soils, climate, crop rotations and cultural practices on the Corn Belt and parts of the Cotton Belt. The increasing demand of the livestock industry for high-protein feedstuffs has brought relatively high prices for soybean meal, which now contributes more the value of soybeans than does the oil.

United States demand for fats and oils will increase gradually as population increases, and there probably will be some further increase in per caput consumption of margarine and salad dressings, but the prospective increase in

United States consumption of edible fats and oils is small in relation to the existing export surplus.

Technological developments tend to shrink the United States outlets for fats and oils in inedible products. The trend toward increasing sale of synthetic detergents, which compete with soap, is still upward. This affects the market for coconut oil as well as tallow and greases. The recent development of a "rubber based" paint is threatening to reduce sales of paints made from drying oils. This development will affect mainly linseed oil. Area under linseed in the United States is not likely to decline below what is needed to provide the linseed oil for domestic consumption.

Production of oils and fats in the soft-currency areas is likely to continue the postwar recovery, but the increase probably will be rather slow.

Production of oilseeds in Western Europe, particularly rapeseed in France and Sweden, has increased greatly compared with prewar, but the trend in the last year or two has been downward. European production of slaughter fats has regained its prewar level and will continue to increase gradually if plans for expansion of the livestock industry are realized.

Postwar efforts to increase groundnut and palm-oil production in West Africa are likely to result in gradual rather than sudden increases in production above the level already achieved. There have been substantial increases, compared with prewar, in Nigeria and in the Belgian Congo, owing partly to measures and programs undertaken in prewar and wartime years. There may be an expansion of groundnut exports from India over the level of recent years, but these exports will not return to the prewar level because consumption in India itself has greatly increased. Prospects for major increases in production and exports of copra and palm oil from Indonesia are doubtful in view of increased emphasis on the domestic economy and domestic food supplies and the still rather unsettled political and economic conditions in the country.

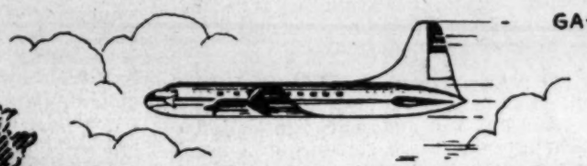
In the South Pacific Islands, copra production has been expanding rather rapidly in recent years, with nearly all of the exports going to Europe, Australia, and New Zealand.

In Argentina, there are at present no clear indications that the acreage and production of linseed oil will return to their prewar level.

China remains a potential supplier of large quantities of soybeans, groundnuts, and other oilseeds and their oils. There have been wide fluctuations of exports of these items in postwar years. The total for all items, including oilseeds in terms of oil, in 1950 and 1951, which were the highest postwar years, was only about 40 percent of the prewar average. The export trend is unpredictable, and the same may be said of Eastern Europe which, before the war, supplied considerable quantities of butter and lard to western markets.

Consumption of fats and oils in many soft-currency countries outside of Europe, including some of the major surplus producing countries, has been expanding rather rapidly. Continuation of this trend will tend, in its effect on supplies available to Europe, to offset some of the prospective increases in export availability of oils and oilseeds in this group of countries.

In conclusion, an export surplus of fats and oils in the United States is likely to persist during the next few years, while there is no immediate prospect of any large increase in exportable supplies from producing countries within the non-dollar area, thereby reducing dependence on dollar supplies.



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## DOLLAR—STERLING CONVERTIBILITY VIA COMMODITY SWITCH

**From Guenter Reimann (New York)**

For some time it will be possible to switch from Sterling dollar exchange freely, without official restrictions, via commodity transactions. Foreign trading firms may engage in a new type of Sterling-Dollar switch transactions via commodity deals. Non-British firms may purchase certain dollar commodities on Britain's reopened commodity markets against payment in Transferable Account Sterling, and resell these goods against receipt of dollar exchange. A German or Italian, for instance, may acquire T.A. Sterling and use it in order to purchase a dollar commodity in Britain, copper or grain, for example, for resale against US$. An American firm may effect a similar transaction through its subsidiary or contact in one of the T.A.£ countries, as a switch transaction.

These opportunities are a special British way of making Sterling convertible. In most cases, a discount of about $3 is not sufficient in order to make this kind of Sterling-Dollar switch interesting. But it takes only a narrow margin to make the opportunities profitable; for instance, whenever T.A. Sterling should be available at a discount of 4%. Therefore, we may draw the following conclusions:

(1) Any weakening of T.A.£ would immediately open up loopholes for conversion of soft currency into dollar exchange via switch sterling on a much larger scale than ever existed before. British authorities must defend current rates for T.A. Sterling, allowing only slight fluctuations. (2) Sterling funds must remain scarce within the Sterling and T.A.£ area. Switch transactions may result from the relative cheapness of other soft currencies. (3) Convertibility of Sterling is starting in commercial transactions primarily for British commodity traders, only secondarily for foreign holders of commercial sterling, including switch commodity traders, with little regard for old sterling accounts. Residential sterling will benefit from the new opportunities only on the basis of special licenses or in connection with commercial transactions. Holders of old accounts may apply for individual licenses for transfers into residential sterling, and from residential sterling into transferable sterling. Such licenses are at present issued in individual cases more liberally than before. (4) The new device for convertibility of Sterling is an ingenious way of support for Britain's reopened commodity markets by attracting interest for them among transit and transhipment traders.

This kind of Sterling convertibility is in basic conflict with the program of the International Monetary Fund. London will follow its own course in the hope that Sterling will hold its own against the dollar. The gamble also is of a political nature. Much will depend on Britain's international bargaining position. The mechanism for new restrictions will be kept intact for some time. If necessary, liberalism for conversions will be ended over-night.

It is planned in London to widen the use of Sterling for the purchase of dollar commodities by reopening more commodity markets. At present copper and grain are dollar commodities which may be bought. Other functioning commodity markets are for cocoa, tea, rubber, zinc, lead, tin. Cottonseed may be traded, too.

## HONGKONG EXCHANGE & GOLD MARKETS

The trade prosperity of which much was heard after the truce in Korea is very much delayed—or perhaps it isn't coming after all. Peking's purchases are such as to discourage free world traders unless they are intent on circumventing UN embargoes on strategic goods shipments to China. After the termination of hostilities in Korea Peking is not in any way relaxing its strict import policy which emphasises industrialisation and restriction on consumer goods. A small amount of smuggling from Hongkong to Canton and other neighbouring places in Kwangtung, also via Macao, takes place in which watches, fountain pens and and similar luxuries figure prominently. The methods adopted by the smugglers are, to say the least, highly ingenious; often recourse is had to concealing of watches 'inside the body' —a procedure well known from the gold smuggling from Macao to Hongkong.

Inspite of the slow recovery in China trade and in local exports of various products for Far Eastern neighbours the community appears to be doing well and ever better, signs being ample that wealth is accumulating. While America is living largely on tomorrow's earnings which are egregiously spent today and the total US hire purchase account has now exceeded US$21 billion, the local community still manages to go along on cash. However there have now been more credit purchases than during any period after the war; hire-purchase is becoming more popular with wholesalers and retailers who try to make their customers conscious of this method of sales promotion. In the US, last year, about three quarters of the new motor cars were bought by the public on credit, and other durable consumer goods were similarly pumped into the public. The motor car salesman here is now developing this line, and radio, phonograph, refrigerator, airconditioner salesmen are working ever more on this principle. Still, the amount of cash spent every month on luxuries of the present generation is stupendous here, testifying as it does to the prosperity of the community at large. With new buildings still mushrooming and new appliances and 'gimmicks' finding eager buyers there is no question that money is plentiful in supply and that the boom here has not subsided. The China trader will object to such conclusions but facts, in terms of such things as airconditioners, latest motor cars, expensive radiograms and huge quantities of music records, are more convincing than protests.

* * *

### Trading in Japanese Yen

Yen has become one of the principal trading currencies in the Far East; it is bound to be used more frequently by the merchants in this part of the world. At the same time tourist travel in Japan has become more popular, illicit trading with Japan is on the rise and gold shipments to Japan have become a regular feature; accordingly demand for yen and supply of yen in the markets of the Far East is now a matter of routine.

The official quotations in Tokyo have remained unchanged for a long time though there is some pressure, from Japanese export interests, to adjust the rate to about 400 yen to the US$. The yen is pegged to the US$ at 360 yen or US$2.77 per 1000 yen. From this rate are calculated the rates for sterling, i.e. 1008 yen per £ (or £ .922 per 1000 yen), and for other sterling currencies including the Hongkong dollar. The official parity for HK$ is 63 yen or HK$ 15.873 per 1000 yen. The Hongkong free exchange market quotes yen regularly, both TT and notes. Trade in notes is active; sellers are, among others, members of the ships' crews engaged in the Japan trade, and buyers are, prominently, travellers who wish to spend some time in Japan, for business or recreation. Notes are traded in 1000 denomination; the 500 and 100 denominations are less popular. All notes are issued by Nippon Ginko. TT always quotes above the note rate; the market is mainly patronised by merchants (importing and exporting) and by gold dealers (selling gold to Japan). DD is very rare.

Recent high and low notes rate per 1000 yen was HK$ 13.98—13.40 (=US$ 2.27—2.25 at average free market US$ rate). The crossrate worked here moved around 440—443 yen per US$ 1. TT high & low in recent weeks quoted HK$ 14.50—14 per 1000 yen (= US$ 2.38 on the average). The crossrate, important for trade, was around 420 yen per US$ 1.

In Tokyo the black market quotes US$ at approx. 400 yen, i.e. 10% higher than official rate. In Hongkong's free market the yen note quoted 22 to 23% above official rate, and TT Japan quoted 17% higher. The reason for the

higher free market rate lies in Japan's trade controls which have proved not very airtight. The strength of yen, in the face of Japan's growing industrial strength, is obvious.

It would appear necessary to cut off two zeros from the rate and thus to quote more sensibly. 3.60 yen per US$. Too many zeros! Return to the days when the sen made sense; today a ten yen note (= about 14 HKc) is not good enough for a tip.

* * *

Report for the week September 7—12:—

**Gold:** High & low were $263¾—259⅛, opening & closing 259⅜—263½, Macao high & low for .99 fine $273½—270, crossrates US$ 38.20—37.98, cif Macao rates for 19,200 ozs concluded were around US$ 38.23.

Daily high & low for .945 fine tael: $259⅝—259⅛; 260½—259½; 260½—259⅞; 262⅜—260¼; 261⅞—261; 263¾—261⅜.

Market turned steady and firmer TT New York helped slight upward trend. Change over interest favoured buyers at 51c per tael. Local stock was improving. Tradings: 97,400 taels or daily average 16,250. Positions: 68,500. Cash sales 17,370 of which 12,870 listed in Exchange. Imports 8,500 from Macao. Exports 5,500 to Singapore. Business in Exchange very poor; seat of broker dropped below $10,000. Goldsmith consumption as usual.

**Silver:** Rates per bar $5.65—5.55, per dollar coin 3.70-3.62, per five small coins 2.78-2.74. Business totalled 2,000 taels, 4,000 dollar and 6,000 small coins. Imports from China small, export inquiry hesitant.

**US$:** High & low rates per US$ 100 in notes HK$ 600¼—593⅞, DD 600½—594¾, TT 602—595¼. Sales: TT US$ 1.06 million, DD 365,000, notes 503,000, forward 3¼ million. Daily TT rates, high & low: $596¼—595¾; 597—596⅛; 597¼—596½; 600—597¼; 600—598¼; 602—599.

Market steady as US Govt control—as rumoured—over US currency caused buying. In TT sector some reluctant sellers, in notes oversold speculators bought to liquidate positions. Interest favoured sellers at $1.05 per US$ 1,000. Positions averaged US$ 3 million.

**Far Eastern TT/DD:** High & low per foreign currency unit in HK$: Manila 2.08—2.06¼. Tokyo .01417—.0140¼. High & low per HK$ in foreign currency: Singapore .534, Saigon 11.70—11.30, Bangkok 3.05—3.02. Sales: 310,000 pesos, 65 m. yen, 580,000 Mal. $, 8 m. piastres, 4½ m. baht.

**Banknotes:** High & low per foreign currency unit in HK$: London 15.89—15.88, Australia 12.25—12.23, N. Zealand 13.55—13.48, Egypt 14, S. Africa 15.42—15.40, India 1.16—1.15¾, Pakistan 1.09—1.07½, Ceylon 1.04—1.03½, Burma .80, Malaya 1.826—1.823, Canada 6.015—6, Manila 2.15—2.13, Macao 1.02, Japan .0136¼—.0135¼, France .01435—.0142, Indochina .0905—.088, Indonesia .208—.205, Siam .326—.325.

**Chinese Exchanges:** Peking's currency quoted nominally at $180 per million. Taiwan notes and DD quoted resp. $242—238 and 227½—224½ per 1,000.

* * *

Report for week Aug. 31—Sept. 5:—

**Gold**

| Date | High .945 | Low .945 | Macao .99 |
|---|---|---|---|
| Aug. 31 | H O L I D A Y | | |
| Sept. 1 | 261¼ | 260¾ | 272⅞ High |
| 2 | 261¼ | 260¼ | |
| 3 | 260½ | 259⅜ | |
| 4 | 259⅞ | 259¼ | Low 270¼ |
| 5 | 259⅞ | 259⅜ | |

The opening and closing prices were $260⅞ and 259⅝ per Hongping tael (1.2 ounces) of .945 fine, and the highest and lowest were $261¼ and 259¼.

During the week under review, market was extremely quiet and prices were sliding down slowly on weaker world prices and new arrivals in Macao. After the reduction of import "fee" in Macao, though contracted C.I.F. prices were lower, market prices remained not profitable for import and this business is not expected to revive much. Lower rates are to be expected, but drops will be very slow.

Interest favoured buyers, totalled $3.68 per tael of .945. Stock remained small. Arrivals in Macao may turn the situation this week. Tradings amounted to 109,800 taels, or averaged 18,300 taels per day. Positions taken figured at 67,000 taels per average day. Cash sales totalled 12,710 taels, of which 8,210 taels listed and 4,500 taels arranged. Imports amounted to 500 taels from the Philippines. Exports totalled 3,500 taels, and were shipped to Singapore 2,000 taels and Indochina 1,500 taels. Differences paid for local and Macao .99 fine were $13.40-13.20 and 12.90-12.30 respectively per tael of .945 fine.

Cross rates worked in the Exchange were US$38.27-38.00. Contracts of 6,400 fine ounces were concluded at 38.33-38.28 C.I.F. Macao last week. One shipment of 40,000 fine ounces arrived in Macao last week, and another shipment is expected this week.

**Silver**

| Aug. 31-Sept. 5 | Bar per tael | $ coin | 5-20c. coins |
|---|---|---|---|
| High | 5.55 | 3.60 | 2.73 |
| Low | 5.52 | 3.60 | 2.72 |
| Trading Totals | 1,500 taels | 2,500 coins | 6,000 coins |

The market was quiet, with only small business concluded. Exporters were out of the market. Imports were very small.

**U.S.$**

| Date | T.T. High | T.T. Low | Notes High | Notes Low |
|---|---|---|---|---|
| Aug. 31 | H O L I D A Y | | | |
| Sept. 1 | 596½ | 595½ | 594⅜ | 593⅝ |
| 2 | 595½ | 595¼ | 593⅞ | 593¼ |
| 3 | 596¼ | 595¾ | 594⅜ | 593½ |
| 4 | 596 | 595¾ | 594⅛ | 593½ |
| 5 | 596¼ | 596 | 594⅜ | 594⅛ |

Trading Totals U.S.$610,000 Cash 227,000 Forward 3¼ m.

D.D. rates: High 595⅛. Low 593⅝.
Sales: U.S.$330,000.

The market was very quiet and experienced the smallest fluctuation ever witnessed in a week. In the T.T. sector, some offers from Philippine and Bangkok merchants were absorbed by gold importers. General importers were very quiet. In the Notes market, Communist agents continued to buy. Speculators were idle. Interest favoured buyers, amounted to $3.05 per US$1,000. Positions taken figured at US$2¾ million. In the D.D. sector, business continued to increase on more oversea Chinese remittances arriving for the approaching Mid-Autumn festival.

**Miscellaneous T.T. or D.D. rates**

Highest and lowest per foreign currency unit in HK$:—Philippines 2.085-2.08, and Japan 0.01425-0.014175. Highest and lowest per H.K.$ in foreign currency:—Malaya 0.534-0.5335, Indochina 11.30, and Bangkok 3.04-3.02. Sales: Pesos 365,000, Yen 65 million, Malayan $ 430,000, Piastres 5 million, and Baht 2¼ million.

**Bank Notes market**

Highest and lowest rates per foreign currency unit in HK$:—England 15.90-15.88, Australia 12.25, New Zealand 13.48-13.35, Egypt 14.00, South Africa 15.42, India 1.1625-1.1575, Pakistan 1.085-1.08, Ceylon 1.04, Burma 0.80, Malaya 1.83-1.825, Canada 5.97-5.9525, Philippines 2.13-2.115, Macao 1.03-1.025, Japan 0.01395-0.0137, France 0.0143-0.0142, Indochina 0.09-0.088, Indonesia 0.207-0.206, Bangkok 0.326-0.325.

**Chinese Exchanges**

Official rates in China were unchanged at 4,270 per HK$, 22,270 per U.S.$ and 68,590 per £ Sterling. People's Bank notes quoted nominally at $180 per million.

Official rates in Taiwan were unchanged at 15.65-15.50 per U.S.$ and 2.61-2.59 per HK$. Taiwan $ notes quoted at $242-237 per thousand, and remittance rates were 225-221¼.

**New Chinese Bank**

A new Chinese bank, Yau Yu Commercial Bank Limited, was organized with a capital of HK$2,000,000. Shareholders are oversea Fukienese in the Philippines and Malaya. The business will center on exchanges with the Philippines and Malaya; deposits and loans will be a side-line. Wong Ching-yau, the former manager of the China & South Sea Bank Ltd., Hongkong, is the general manager of this new bank.

## HONGKONG COMMODITY MARKETS

The following are the outstanding features in a review of the HK Commodity markets for the two weeks Aug. 31 to Sept. 12.

Trade with South Korea slowed down to a certain extent, following the cessation of hostilities, the preoccupation of the South Korean Govt. with the business of transferring the capital back to Seoul making it difficult for traders to obtain the necessary import licences.

A considerable amount of perturbation was caused to local rice importers by the decision of the HK Govt. to suspend the licensing of imports of commercial rice. However, as a result of representations made by concerned parties, the ruling has been relaxed to the extent of permitting imports of commercial rice in cases where acceptable evidence can be produced that freight for the quantity and quality of the rice in question was booked before Sept. 3. Import licences will also be granted for rice for re-export, but on arrival this rice will be liable to direction to approved godowns and removal therefrom will not be permitted until it is to be re-exported.

**Burma Trade**—HK merchants who have hitherto enjoyed the privilege of Imperial Preference in their trade with Burma, are not too pleased with that country's announcement of a reduction by 30% in the import duty on Japanese goods as from Oct. 1. It is feared that competition in that market from Japanese goods will have an adverse effect upon exports of local manufacture to Burma.

**Survey for 2 weeks Aug. 31 to Sept. 12, 1953**

During the two weeks ended Sept. 12, the various HK commodity markets began to show signs of improvement. Cotton Yarn was steady, although still somewhat quiet except for brisk barter transactions between local manufacturers and Pakistani growers covering the exchange of cotton yarn for raw cotton. In the Metals market, Thai merchants were active filling their requirements for structural steel; but enquiries from China did not result in many transactions on account of low offers. Dealers from South Korea and Taiwan were active in regard to Industrial Chemicals, as were those from North China, who had obtained import licences. The Paper market was quiet, with moderate transactions by exporters to the Philippines and Taiwan; however, although Indonesian dealers were in the market, few transactions could be effected owing to price differences. The China Produce market continued active, favourite items being: cassia lignea (India, Pakistan); rosin (India, Indonesia, Japan); rhubarb (Indonesia) dried chilli (Indonesia, Singapore, Japan, Burma); brans (Singapore); garlic (Philippines, Indochina, Singapore, Thailand); linseed (Europe, Japan); ramie seed (Europe, Japan); hemp seed (Europe, Japan); castor seed (Europe, Japan); bitter almond (Europe); menthol crystals (France); teaseed cake (Taiwan); hog casing (Philippines); coir fibre (Japan); woodoil (Japan, Australia); aniseed oil (France); cottonseed oil (S. Korea); tea (Singapore, N. Africa); raw silk (France, India); silk waste (Japan).

**HK Commodity Prices over 2 weeks ended Sept. 12, 1953**

(Spot sales unless otherwise stated)

(1 picul = 133.3 lbs.)

**Cotton Yarn**—HK 20s $1245 & $1235 per bale. Indian 10s $700, 26s $1245 & $1220. Italian 20s $1140, 42s $1820. Netherlands 40s in cones $1820. Egyptian 20s $1110 & $1077 in skein $1065 per bale.

**Metals**—Mild Steel Round Bars, Europe 40' length ¼" dia $45 per picul, 5/16" $44, ½" $40, ½" & ⅞" $39; HK-make 20'—40' ½", ⅝" & ¾" $38.50. Mild Steel Plates, Japan 4' x 8' 3/16" & ¼" $50 per picul. Galvd Iron Sheets, Japan 3' x 7' USSG24 57 cents per lb, G28 62 cts, G31 $5.50 per sheet. Copper Sheets, Germany 4' x 8' 1/32"—1/16" & 3/32"—⅛" $2.80 per lb. Aluminium Sheets, Japan 4' x 8' 99.5% alloy G16-G24 $2.25 per lb, 1 x 2 metres G18 & G20 $2.20 per lb. Barbed Wire, Japan 4 barbs 3" apart $13 per 48-lb bundle. Galvd Iron Pipes, Europe 18'—22' ½" dia 50 cts per ft. ¾" 60 cts, 1¼" $1.15 per ft. Copper Tubes, Europe/Japan 16'—18' ½"—1" dia $3.40 per lb. Steel Wire Ropes, UK 24 x 6 x 7 1" dia $2.30 per lb, 1¼" $2.20, 1¾" $1.70, 2¼" $1.40, 3" $1.35. Wire Nails, Europe/Japan 1-picul keg BWG15 1" & G12 1¼" $52.50 per picul, G10 2½" $52, G6 5" $55, G5 6" $56, G18 ⅝" $65 per picul. Tinplate, UK 20" x 28" 200-lb case of 112 shts tin-lined $120.

**Industrial Chemicals**—Citric Acid Crystals, Belgium 50-kilo barrel $1.40 per lb. Aluminium Paste, UK 56-lb drum $2.40 per lb. Bronze Powder, pale, Germany 100-lb drum $4.07 per lb. Ammonium Chloride, Germany 75-kilo gunny bag $530 per ton. Borax Crystals, UK $41.50 per 1-cwt bag. Gum Arabic, Sudan 100-kilo bag 74½ cts per lb. Lithopone 30%, Netherlands 50-kilo paper bag 34 cts per lb (forward Sept. 13). Lemon Shellac, India No. 1 164-lb case $248 per picul. Sodium Hydrosulphite, Netherlands $55 per 250-lb drum. Sodium Sulphide, UK 5-cwt drum $440 per ton. Zinc Oxide 99%, India 50-kilo gunny bag 66 cts per lb.

**Paper**—Art Printing 31" x 43" one-side coated, UK 88gr 85-lb ream $80 per ream; two-sides coated 95-120gr 90-110 lb ream $1 per ream. Bond, 22" x 34" white, watermarked & brand name 60gr 32-lb ream Norway/Sweden $24.20/$24.50 per ream; Central Europe $23.20; unwatermarked & without brand name, Europe $22.50 per ream. Woodfree Printing 31" x 43", Austria/Czech/Netherlands 65-75gr 65-70 lb ream 68 cts per lb, 85-95gr 80-100 lb ream 65/68½ cts. Duplex Board one-side coated, Sweden 230gr 220-lb ream 31" x 43" $96 per ream, Czech $95, Europe 300-420gr 280-380 lb ream 31" x 43" 50/52 cts per lb. MG Cap 20gr 17½ lb ream 25" x 44", Austria $10 per ream, Norway $10.30, Japan $8.80. MG Pure Ribbed Kraft, Sweden 40gr 47-lb 35" x 47" $27 per ream; Europe 60-160gr 75-160 lb ream 68 cts per lb. MG Pure Sulphite Austria/Czech 20gr 17-lb ream 30" x 40" $11.80 per ream. Strawboard 26" x 31", Netherlands 8oz $420 per ton, 8-16oz $415, 10-12oz & 14-16oz $410, 20-32oz $470; Shanghai 8-16oz $400 per ton. Newsprint in roll 50-52gr 31", Norway 37 cts per lb. Newsprint in ream 31" x 43" 50-52gr 50-lb ream, Europe $19.60 per ream, Poland $19.30. Newsprint, thin, 22½" x 51" 30gr 25-lb ream, Europe $12 per ream; Japan $12.

**China Produce**—Vegetable Oils: Woodoil, refined, in bulk £134 per ton cif Japan, in drum ex-godown $128 per picul, in bulk ex-godown $118. Aniseed Oil 15 deg ordinary qual excl drum $495 per picul. Cottonseed Oil, NE China in drum $125 per picul. Sesamumseed Oil, Tientsin in tin $225 per picul. Other Produce: Rice Bran, Amoy $24.30 per picul, Hankow 2q $22. Wheat Bran, Sian, fine $19.50, Hankow, fine $20 per picul. Cassia Lignea, in bulk, West River $52.50 per picul. Cassia, broken 1q $42 per picul. Almonds, Bitter, Tientsin red membrane large size $125 per picul. Red Chilli, Dried, Szechuan $160 per picul, Hopei $109. Coir Fibre, Szechuan 12"—24" $163 per picul. Gallnuts, Hankow selected $27.50 per picul. Garlic, Toasted Kamshan, Kwangtung $100 per picul, Hoyuen, Kwangtung $75; Untoasted, Chekiang $37.30, Fukien $34 per picul. Rhubarb, Tientsin $83 per picul. Maize, Thailand $28.50 per picul. Hog Casings, Hunan $1820 per picul. Menthol Crystals, Shanghai $15.30 per lb. Groundnut Cake, Rangoon $37 per picul. Teaseed Cake, West River $19.50 per picul. Talcum, Kwangsi $11.80 per picul. Rosin, East River (Kwangtung) M-grade $77 per quintal, AA-grade $86, A-grade $83.80, C-gr $76, Hunan Mixed grade 2q $67.50 per quintal; West River WW-grade $85 per quintal, X-gr $88, WG-gr $83 per quintal. Linseed, N. China $46.20 per picul. Castorseed, Tientsin $47.50. Hempseed, NW China large $35.50. Ramie Seed, NW China $37 per picul. Unhulled Sesamum, Vietnam black $79 per picul. Raw Silk, Shanghai 20/22 denier E-grade $3400 per picul; Canton 22/24 $2640. Silk Waste Tussah, Manchuria $425 per picul. Tea: Green, Hunan $125 per picul. Beans: Black, Tientsin medium $65 per picul, Shanghai $72. Broad, Chekiang medium $28.50. Red, Tientsin 1q $53. Soya, Yellow, Dairen 1950 crop $62. Green, Kalgan 1q $85, Hankow new $64, Shantung $63.50 per picul.

## HONGKONG SHARE MARKET

The closing rates were:

**H.K. Govt. Loans**

3½% Loan (1934 & 1940), 90 nom.
3½% Loan (1948), 90 nom.

**Banks**

H.K. & S. Bank, 1525 b.
H.K. & S. Bank (Lon. Reg.), £91½ nom.
Chartered Bank, 42/1½ nom.
Mercantile Bk. A. & B., £25 nom.
Bank of East Asia, 155 b.

**Insurances**

Canton Ins., 250 b.
Union Ins., 800 b; 802½ sa.
China Underwriters, 5 b.
H.K. Fire Ins., 150 b.

**Shipping**

Douglases, 155 nom.
Indo Chinas (Pref.), 9¼ nom.
Indo Chinas (Def.), 44 nom.
Shells (Bearer), 88/1½ nom.
U. Waterboats, 19.30 sa.
Asia Nav., 1.40 b; 1.475 s.
Wheelocks, 8.70 b; 8¾ s; 8.70 sa.

**Docks, Wharves, Godowns**

H.K. & K. Wharves, 85 b.
North Point Wharves, 5.70 nom.
Sh. Hongkew Wharves, 2 s.
H.K. Docks, 21.60 b.
China Providents (Old), 11.70 b; 12 s; 11.80 sa.
China Providents (N), 11.40 nom.
S'hai Dockyards, 2.10 nom.

**Mining**

Raub Mines, 4¾ nom.
H.K. Mines, 2½c nom.

**Lands, Hotels & Bldgs.**

H. & S. Hotels, 7.85 b; 8 s; 7.90 sa.
H.K. Lands, Ex. Div., 59 b; 60 s; 59 sa.
S'hai Lands, 1.40 b; 1½ s.
Humphreys, 16 b; 16.10 sa.
H.K. Realties, Ex. Div., 2.35 b.
Chinese Estates, 180 b.

**Public Utilities**

H.K. Tramways, 24.70 b.
Peak Trams (F. Paid), 42 b.
Peak Trams (P. Paid), 21.10 b.
Star Ferries, 124 b; 126 s.
China Lights (Fully Paid), 12.80 b; 12.90 s; 12.70/.80/.70/.80 sa.
China Lights (Partly Paid), 9 b; 8.95 sa.
H.K. Electrics, Ex. Div., 26.80 b; 26.80/.90 sa.
Macao Electrics, 9 b.
Sandakan Lights (O), 7.70 nom.
Sandakan Lights (N), 7 nom.
Telephones, 21.80 b; 22 s; 21.90 sa.
Shanghai Gas, 1 nom.

**Industrials**

Cements, 18.80 b; 18.90 s; 18.90 sa.
H.K. Ropes, 17.70 nom.

**Stores**

Dairy Farms, 23½ b; 23.80 s; 23.40/½ sa.
Watsons, 22.60 b; 22.80 s; 22.70 sa.
L. Crawfords, 23.40 s.
Cald. Macg. (Ord.), 24 nom.
Sinceres, Ex. Div., 2.65 b.
China Emporium, 8.85 nom.
Sun Co., Ltd., 2.05 b.
Kwong Sang Hong, 150 b.
Wing On (HK), 55 b.

**Miscellaneous**

China Entertainments, 18.30 b.
International Films, 70c nom.
H.K. Constructions (F. Paid), 2½ nom.
H.K. Constructions (P. Paid), 1.65 nom.
Vibro Pilings, 8.10 nom.
Marsman Investments, 6/- nom.
Marsman (HK), 80c nom.
S'hai Loan, 1.55 nom.
Yangtsze Finance (O), 6.80 b; 6.90 s; 6.80 sa.
Yangtsze Finance (N), 6.10 b.

**Cottons**

Ewos, 2.55 s.
Textile Corp., 5½ b.

**Rubber Companies**

Anglo-Dutch, 1 nom.
Anglo-Java, 30c nom.
Ayer Tawah, 3.35 nom.
Bute Plantation, 1.60 nom.
Consolidated Rubber, 2.70 s.
Dominion Rubber, 2.05 nom.
Java-Consolidated, 40c nom.
Kota Bahroe, 2.90 nom.
Kroewoek Java, 40c nom.
Langkat, 80c nom.
Rubber Trust, 1.40 b; 1.475 s.
Shanghai Kedah, 5.40 nom.
Shanghai Kelantan, 75c nom.
Shanghai Pahang, 1.375 b.
Shanghai Sumatra, 4 nom.
Sungala, 2.10 nom.
Sungei Duri, 2.70 nom.
Tanah Merah, Ex. Div., 75c b.
Ziangbe Rubber, 1.60 nom.
Spot Rubber, S'pore Str. 64⅝ cts.

## SINGAPORE SHARE MARKET

The weakness displayed by the New York market has caused some uneasiness not only in London but also in this country. It is rather obvious that some American investors are uncertain as to the ability of their country to maintain its economy geared at the high level of the Korean War period, and the direction in which commercial and industrial activity is going to move is a matter of concern to a large portion of the globe. However, although the lack of any serious rally in Wall Street could indicate the absence of any sure sign of which way the pendulum will swing, advices from the United States show that there is no expectation of a serious trade recession in the near future.

The Industrial market remained quietly steady and apart from United Engineers which fell back from $12.50

to $12.00 before staging a partial recovery, the remaining counters were practically devoid of any price movements.

The improvement in the metal price instilled, on each successive rise, a further modicum of confidence, but as share prices appreciated so the disposition to sell increased and the urge to buy diminished until finally the seemingly unavoidable sharp fall in the metal price caused the inevitable set-back in shares. Confidence slowly continues to spread but there will be no fireworks in the market whilst it is still subject to scepticism as to the genuineness of the metal price. This section again was responsible for the main portion of the business written. Interest was widespread and Rantau were the leaders with a very large turnover whilst Petalings, in comparison, were rather a poor second.

Owing to augmented enquiry the rubber share section warrants more attention. The number of transactions showed a welcome increase and there are indications that this is the beginning of a much more diffused interest. Here it is appropriate to record that the President of B.F. Goodrich & Co. estimated that the total consumption of new rubber in the United States in 1953 will be about 1,375,000 long tons which is a 9% increase over the 1952 record of 1,261,000 long tons and that American synthetic rubber which constituted 64% of the 1952 total used is currently accounting for 56% of the 1953 total.

Apart from the fact that it becomes increasingly apparent that local buyers prefer Singapore loans to those of the Federation, there is nothing worthy of comment in this section.

**Business Done 29th August—4th September.**

**British (M) Trustee** $7.00, Fraser & Neave Ords. $2.10 to $2.12½ to $2.10, Federal Dispensary $2.55 and $2.57½, Gammons $2.77½ to $2.75 tto $2.77½, Hammers $2.92½ and $2.90 cum dividend. Hongkong Bank London £92 1/2, Malayan Cement $1.42½ to $1.45 to $1.42, Maynards $20.00, McAlisters $40.00, Robinson Ords. $1.87½ cum dividend, Sime Darby $1.85, Straits Times $2.67½, Straits Traders $21.00 and $21.25, Straits Steamship $21.25 and $21.00, Uniteer Ords. $12.50 to $12.00 to $12.15, Wearne Bros. $2.27½.

**Tins.** Hong Fatt $1.27½, Klang River $1.97½ and $2.00, Kuchais $2.10 and $2.07½, Petalings $3.80 to $3.65 to $3.77½ to $3.65, Rahman Hyd. $1.32½, Rantau $2.45 to $2.40 to $2.47½ to $2.40, Sungei Way $2.85, Taiping Consols. $2.10, Talam $2.67½.

Austral. Amal. 12/3, Kuala Kampar 35/9 and 36/-, Laruts 7/10½, Lower Peraks 12/- and 12/3, Rawang Tins 8/-, Rawang Concs. 43/-, Sungei Bidor 36/-, Ampats 8/1½, London Tin 5/1½, Tanjong Tin 10/6.

**Rubbers.** Allenby 65 cents, Gleneally 85 cents, Lunas $1.75, Tapah $1.40.

**Overseas Investments. British.** British Borneo Petroleum 33/10½, Chartered Bank 43/6, Perak River Hydro 17/9. **Australian.** Appleton Industries A.9/6, Rye Park 9d.

## HONGKONG EXPORTS TO THE UNITED STATES

For convenience of reference and in order to clarify the position regarding locally-made goods which may be exported from Hongkong to the USA under HK Comprehensive Certificates of Origin, the Chinese Manufacturers' Union has published a list of those commodities the export of which is permitted. These comprise: bean thread, cotton waste, cotton string gloves, cotton cloth gloves, salted fish, plums, tungsten ores and concentrates, ivory, hardwood furniture (including camphorwood chests), water-chestnuts, made-up silk garments, tea (Formosa), silk piecegoods, needlepoint tapestry, dolls and pin cushions, confectionery, shrimp sauce and paste, bean curd and rice sticks, oysters and oyster sauce, cotton wearing apparel comprising men's shirts and women's garments (whether or not embroidered, including blouses, nightgowns, undergarments and aprons), children's articles (including feeders), sun-shirts, bed sheets and dresses, and cotton piecegoods and cotton yarn for M.S.A. contracts in Formosa.

Other commodities considered eligible for export are still under discussion by the Government officials concerned in the USA and Hongkong.

## HONGKONG COMPANY INCORPORATION

The following new private company was incorporated in Hongkong during the week ending September 5, 1953:—

**American Lloyd Travel Service Limited**—Booking agents for passengers, freight and other property for air, land and sea transportation companies, hotels and other organizations; Nominal Capital, HK$500,000; Registered Office, Shell House, Victoria, Hongkong; Subscribers: Monia Talan, Shell House, 1st floor, Hongkong, Merchant; Harold John Armstrong, 561, The Peak, Hongkong, Solicitor.

## CHARTERED BANK'S DIVIDEND

The Directors of the Bank have declared an interim dividend 7% actual subject to income tax dividend payable 2nd October.

**NOTICE**

**THE DAIRY FARM, ICE & COLD STORAGE CO., LTD.**

**Notice to Shareholders**

NOTICE is hereby given that an Interim Dividend of One Dollar per share, less tax, has been declared in respect of the year ending 31st December, 1953.

This dividend will be payable on or after Wednesday, 30th September 1953, at the Registered Office of the Company, Windsor House, Hongkong, where Shareholders are requested to apply for warrants.

Notice is hereby also given that the Register of Members of the Company will be closed from Wednesday, 16th September, to Wednesday, 30th September 1953, both days inclusive.

By Order of the Board of Directors.

**A. A. BREMNER,**
Secretary.

Hongkong 7th Sept., 1953.

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# HONGKONG STOCKS & SHARES

Following are published data in local stocks and shares (capital authorised & issued, reserves, dividends etc.) and the highest & lowest quotations for the first half year and for July 1953:

| Stock | Authorised Capital (No. of Shares) | Issued Capital (No. of Shares) | Value | Paid up | | Reserves | Carried Forward | Date of Balance Sheet | Last Dividend | When Paid or Payable | Highest Jan./June High | Lowest Jan./June Low | Highest July High | Lowest July Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| H.K. Government 3½% Loan (1934) | Balance | $3,720,000 | do. | 3½% p.a., payable half-yearly | | | 15 Jan & 15 July.— | | Issued 1934.—Redeemable yearly by drawing (1/25th part) final redemption 1959. | | $91½ | $91½ | — | |
| Do. 3½% ,, (1940) | do | $6,130,000 | do. | 3½% p.a., | | do | | do | Issued 1940.—Redeemable yearly by drawing (1/25th part) final redemption 1965. | | $91½ | $91½ | — | |
| Do. 3½% ,, (1948) | do | $46,666,000 | do. | 3½% p.a., | | do | | do | Issued 1948.—Redeemable 1973/1978 (Sinking Fund 30.6.53, $11,756,750) | | $93 | $90¾ | $91 | $89 |
| **Banks** | | | | | | | | | | | | | | |
| H'kong & S'hai B'king Corp. | 160,000 | All | $125 | All | (g) | £6,000,000 | 9,489,174 | 31-12-52 | Final Div. 1952, £3 at 1/2⅞ Free of Tax | Feb. 27, 1953 | $1530 | $1335 | $1530 | $1490 |
| ,, London Register | | | | | | | | | Int. Divd. 1953, £2 at 1/2⅞ Free of Tax | Aug. 10, 1953 | — | | — | |
| Bank of East Asia, Ltd. ..... | 500,000 | 100,000 | $100 | All | | 7,500,000 | 1,110,006 | 31-12-52 | $10 for 1952 Free of Tax | Feb. 7, 1953 | $150 | $146 | — | |
| **Insurances** | | | | | | | | | | | | | | |
| | | | | | | 4,500,000 | | | | | | | | |
| | | | | | (k) | 2,381,810 | | | | | | | | |
| | | | | | (f) | 2,189,624 | | | | | | | | |
| Canton Insurance Office, Ltd. .. | 200,000 | 50,000 | $50 | All | (ll) | 2,143,269 | | | | | | | | |
| | | | | | (nn) | 8,799,536 | 449,346 | 31-12-52 | $15 for 1952 Free of Tax | May 21, 1953 | $255 | $235 | $243 | $243 |
| | | | | | (mm) | 281,763 | | | | | | | | |
| | | | | | | £1,000,000 | | | | | | | | |
| | | | | | (j) | 500,000 | | | | | | | | |
| | | | | | (f) | 468,610 | | | | | | | | |
| Union Ince. Socy. of Canton, Ltd. | 200,000 | 135,000 | £10 | All | (b) | 57,374 | | | | | | | | |
| | | | | | (nn) | 4,447,225 | £344,074 | 31-12-52 | £2 for 1952, Free of Tax | May 21, 1953 | $800 | $755 | $810 | $780 |
| | | | | | (ll) | 1,483,665 | | | | | | | | |
| | | | | | (mm) | 722,485 | | | | | | | | |
| | | | | | (x) | 4,566,551 | | | | | | | | |
| China Underwriters, Ltd. ..... | 500,000 | 256,000 | $10 | $7 | (ll) | 193,966 | 39,840 | 31-12-52 | 29 cts. Free of Tax, for 1952 | May 26, 1953 | $5½ | $4.90 | $5 | $5 |
| | Fdrs 15 | 15 | $1,000 | All | (mm) | 117,396 | | | | | | | | |
| | | | | | (nn) | 96,930 | | | | | | | | |
| | | | | | (f) | 205,266 | | | | | | | | |
| | | | | | | 2,000,000 | | | | | | | | |
| | | | | | (k) | 843,710 | | | | | | | | |
| Hong Kong Fire Insurance Co., Ltd. ..... | 200,000 | 40,000 | $50 | All | (f) | 1,137,830 | 107,395 | 31-12-52 | $11 Free of Tax for 1952 | May 5, 1953 | $160 | $140 | $150 | $143 |
| | | | | | (ll) | 1,877,477 | | | | | | | | |
| | | | | | (mm) | 134,189 | | | | | | | | |
| | | | | | (nn) | 2,104,667 | | | | | | | | |
| **Shipping** | | | | | | | | | | | | | | |
| | | | | | | 1,000,000 | | | | | | | | |
| | | | | | (n) | 144,874 | | | | | | | | |
| | | | | | (f) | 694,296 | | | | | | | | |
| Douglas Steamship Co., Ltd. .. | 20,000 | All | $50 | All | (q) | 1,537,444 | 556,411 | 31-12-52 | $5 Free of Tax for 1952 | Aug. 21, 1953 | — | | — | |
| | | | | | (k) | 102,494 | | | | | | | | |
| | | | | | (hh) | 834,939 | | | | | | | | |
| | | | | | | £500,000 | | | 6% 1952 on Pref. shares, less tax | | — | | — | |
| Indochina Steam ) Pref. | 600,000 | 247,945 | £1) | All | (a) | 424,962 | £76,041 | 31-12-52 | | | | | | |
| Navigation Co., Ltd. ) Def. | 600,000 | 495,890 | £1) | | (q) | 369,515 | | | 10% divd. & 17½% Bonus for 1952 on Def. shares, less tax | May 18, 1953 | $45 | $45 | $44 | $44 |
| | | | | | (n) | 240,344 | | | | | | | | |
| Union Waterboat Co., Ltd. .... | 300,000 | 142,860 | $7 | All | | 150,000 | 3,617 | 31-12-52 | Divd $2 on "old" shares Tax Free 1952 | Feb. 26, 1953 | (O) $16.10 | $13.20 | $17½ | $16.10 |
| | | | | | (q) | 240,000 | | | Divd $1 on "Bonus" shares Tax Free 1952 | | (Bonus) $13.70 | $13.20 | | |
| Eastern Asia Navigation Co., Ltd. ..... | 10,000,000 | 3,000,007 | $1½ | All | | 1,000,000 | 156,584 | 31-12-51 | Divd. 15 cts Free of Tax for 1951 | Sept. 18, 1952 | $1.60 | $1.30 | $1½ | $1.35 |
| Wheelock Marden & Co., Ltd. .. | 4,000,000 | 4,000,000 | $5 | All | | 10,000,000 | 1,776,062 | 31-3-52 | Final Divd. $4 Tax Free 31-3-52 | Nov. 26, 1952 | $8 | $7.10 | $9 | $7.85 |
| | | | | | | | | | Int. Divd. $3 Tax Free 31-3-53 | Dec. 11, 1952 | (Rts) $3.10 | $2.40 | | |
| **Docks, Wharves & Godowns** | | | | | | | | | | | | | | |
| Hongkong & Kowloon Wharf & Godown Co., Ltd. ..... | 1,000,000 | 180,000 | $50 | All | | 500,000 | 385,000 | 31-12-52 | Divd. $7, Free of Tax for 1952 | Mar. 27, 1953 | $91½ | $68 | $86 | $83½ |
| North Point Wharves Ltd. ..... | 2,500,000 | 704,500 | $10 | All | | 500,000 | 615,047 | 31-3-53 | 70 cts. Free of Tax year 31-3-53 | May 29, 1953 | $6.70 | $5½ | — | |

| Stock | Authorised Capital (No. of Shares) | Issued Capital (No. of Shares) | Value | Paid up | | Reserves | Carried Forward | Date of Balance Sheet | Last Dividend | When Paid or Payable | Highest Lowest 1953 Jan./June High | Low | July High | Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Shanghai & Hongkew Wharf Co., Ltd. | 640,000 | 480,000 | $50 | All | | 320,000 | | | | | | | | |
| | | | | | (b) | 2,251,820 | Dr 8,874,398 | 31-12-52 | Int. Divd. Gold Yuan $0.50 for 1948 | Nov. 15, 1948 | $2.20 | $1½ | — | |
| | | | | | (e) | 500,000 | | | Final Divd. $2 for 1948 | May 20, 1949 | | | | |
| Hongkong & Whampoa Dock Co., Ltd. | 1,000,000 | All | $10 | All | (Total) | 16,498,530 | 2,106,895 | 31-12-52 | Divd. $2 Free of Tax for 1952 | Apr. 10, 1953 | $20.30 | $18 | $22 | $19.90 |
| | | | | | | | | | Bonus 50 cts. Free of Tax for 1952 | | | | | |
| China Provident Loan and Mortgage Co., Ltd. | 2,000,000 | 1,036,376 | $5 | All | | 142,298 | | | | | | | | |
| | | | | | (c) | 1,742,372 | | | | | | | | |
| | | | | | (t) | 500,000 | | | | | | | | |
| | | | | | (v) | 855,374 | 1,572,932 | 31-12-52 | Divd. & Bonus $1.70 (old) Tax Free 1952 | Mar. 30, 1953 | (O) $13.30 | $10.90 | $12.40 | $11.90 |
| (O) | | | | | (w) | 5,067,880 | | | | | | | | |
| (N) | | | | | (mn) | 400,000 | | | Pro rata new shares (17.7 cts) Tax Free 1952 | | (N) $11.70 (1953 Issue) | $11 — | — | — |
| Shanghai Dockyard, Ltd. | 2,000,000 | 1,125,000 | $7 | All | | 3,686,537 | | | | | | | | |
| | | | | | (w) | 6,671,823 | Dr 3,004,006 | 30-9-52 | Divd. 70 cts for 1948 | Mar. 11, 1949 | $2.30 | $1.60 | $2.10 | $1.95 |
| | | | | | (h) | 492,448 | | | | | | | | |
| **Mining** | | | | | | | | | | | | | | |
| Raub Australian Gold Mining Co., Ltd. | 800,000 | All | 5/- | All | | — | — | — | — | — | $4.65 | $4.65 | — | |
| **Lands, Hotels & Buildings** | | | | | | | | | | | | | | |
| Hongkong & Shanghai Hotels, Ltd. | 1,500,000 | 1,193,867 | $7½ | All | | 2,000,000 | | | | | | | | |
| | | | | | (w) | 745,680 | | | | | | | | |
| | | | | | (d) | 1,319,152 | | | Divd. 65 cts for 1952 Free of Tax | Mar. 19, 1953 | $8 | $6.90 | $8.30 | $7.85 |
| | | | | | (r) | 415,000 | 101,339 | 31-12-52 | | | | | | |
| Hongkong Land Investment and Agency Co., Ltd. | 2,000,000 | 750,000 | $25 | All | | 1,950,000 | | | Final Divd. (old) 1952, $2, less Tax | Mar. 30, 1953 | (O) $63 | $47 | $63½ | $60½ |
| | | | | | (b) | 5,925,000 | 80,635 | 31-12-52 | Final Divd. (new) 1952, $1, less Tax | do | | | | |
| | | | | | | | | | Int. Divd. 1953, $2, less Tax | Sept. 23, 1953 | (Bonus) $56½ | | | |
| Shanghai Land Investment Co., Ltd. | 2,386,800 | All | $5 | All | | 3,250,000 | Dr 2,130,404 | 31-12-51 | — | — | $1.80 | $1.30 | $1.65 | $1.35 |
| Humphreys Estate & Finance Co., Ltd. | 1,000,000 | 300,000 | $10 | All | | 1,500,000 | 135,003 | 31-12-52 | Divd. $1.40, Free of Tax for 1952 | Mar. 20, 1953 | $16 | $12.30 | $17 | $15.90 |
| Hongkong Realty & Trust Co., Ltd. | 5,000,000 | 2,000,000 | $1 | All | | 2,000,000 | | | | | | | | |
| | | | | | (p) | 652,500 | | | Divd. 15 cents Free of Tax, | | | | | |
| | | | | | (c) | 120,000 | 118,595 | 30-4-52 | for year ended 30-4-53 | Sept. 16, 1953 | $2.525 | $2.20 | $2.55 | $2½ |
| Chinese Estates, Ltd. | 30,000 | 16,500 | $100 | All | (d) | 1,076,561 | | | Final Divd $14, Free of Tax 1952 | Feb. 9, 1953 | | | | |
| | | | | | (ii) | 5,155 | 639,338 | 31-12-52 | | | — | | — | |
| | | | | | | | | | Int. Divd. $6, Free of Tax 1953 | July 24, 1953 | | | | |
| **Public Utilities** | | | | | | | | | | | | | | |
| Hongkong Tramways X.D. | 4,000,000 | 1,950,000 | $5 | All | | 4,700,000 | | | | | | | | |
| | | | | | (aa) | 1,200,000 | 203,193 | 31-12-52 | Final Divd. $1.70 yr. 1952, less Tax | Mar. 20, 1953 | $23.70 | $19.90 | $25.30 | $23½ |
| | | | | | | | | | Int. Divd. $0.60 yr. 1953, less Tax | Sept. 10, 1953 | | | | |
| Peak Tramways, Ltd. (F. Pd.) | 25,000) | All | $10 | All) | | 300,000 | 19,863 | 31-3-53 | $4.00 for (F. Pd) Free of tax for year 31-3-53 | May 29, 1953 | $36 | $35 | — | |
| (P. Pd.) | 50,000) | | | $5) | | | | | $2.00 for (P. Pd) Free of tax for year 31-3-53 | | $18 | $17½ | — | |
| Star Ferry Co., Ltd. X.D. | 2,000,000 | 80,000 | $10 | All | | 1,000,000 | | | Final Divd. $5.50, Free of Tax, 1952 | Mar. 6, 1953 | | | | |
| | | | | | (q) | 3,050,000 | | | | | $118 | $98 | $129 | $123 |
| | | | | | (c) | 255,082 | 250,857 | 31-12-52 | Int. Divd. $3.50, Free of Tax, 1953 | Sept. 1, 1953 | | | | |
| China Light & Power Co., Ltd. | | | | | | 297,036 | | | | | | | | |
| (F. Pd.) | 20,000,000 | 7,200,000) | $5 | All | (i) | 2,459,561 | 841,996 | 30-9-52 | Final 65 cts Tax Free, yr. 30-9-52 | Dec. 22, 1952 | $11.80 | $9.10 | $12.70 | $11.70 |
| (P. Pd.) | | 2,000,000) | | $3 | (oo) | 3,700,000 | | | Pro rata 1949 Issue | | | | | |
| | | | | | | | | | Int. 30 cts. Tax Free, yr. 30-9-53 | May 4, 1953 | $7.60 | $5.90 | $8.85 | $7.60 |
| | | | | | | | | | Pro rata 1949 issue | | | | | |
| Hongkong Electric Co., Ltd. | 5,000,000 | 3,500,000 | $10 | All | | 8,000,000 | 449,900 | 31-12-52 | Final Divd. $1.40, Tax Free for 1952 | Mar. 18, 1953 | $25.70 | $20.90 | $27.80 | $25½ |
| | | | | | | | | | Int. Divd. $0.70, Tax Free for 1953 | Sept. 17, 1953 | | | | |
| Macao Electric Lighting Co., Ltd. | 500,000 | 323,930 | $10 | All | | 700,000 | | | | | | | | |
| | | | | | (w) | 138,278 | | | | | | | | |
| | | | | | (oo) | 800,000 | | | | | | | | |
| | | | | | (i) | 108,800 | 151,481 | 30-11-52 | Divd. 80 cts, Free of Tax for year ended 30-11-52 | June 16, 1953 | $10½ | $8.60 | $8.60 | $8½ |

| Stock | Authorised Capital (No. of Shares) | Issued Capital (No. of Shares) | Value | Paid up | | Reserves | Carried Forward | Date of Balance Sheet | Last Dividend | When Paid or Payable | Highest Jan./June High | Lowest Jan./June Low | 1953 July High | 1953 July Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sandakan Light & Power Co., Ltd. ..... (N.) | 500,000 | 150,000 | $5 | All | (k) | 25,000 | | | | | | | | |
| | | | | | | 100,000 | | | | | (X Rts.) $6.15 | $6.15 | — | |
| | | | | | (d) | 238,081 | 83,654 | 30-6-52 | Divd. 50 cts. yr. 30-6-52, Tax Free | Feb. 17, 1953 | (Rts.) $0.15 | $0.15 | — | |
| | | | | | | | | | | | (O) $6¾ | $6¾ | $7.70 | $7½ |
| | | | | | | | | | | | (N) — | — | $7 | $7 |
| Hongkong Telephone Co., Ltd. | 1,900,000 | 1,900,000 | $10 | All | | 4,000,000 | 399,379 | 31-12-52 | Divd. (old) $1.40 Free of Tax, 1952 | Mar. 9, 1953 | (O) $20.10 (N) $18.20 | $15.80 | $22½ | $19.80 |
| | | | | | (w) | 2,623,755 | | | | | | | | |
| Shanghai Gas Co., Ltd. ..... | 700,000 | All | $15 | All | (d) | 2,010,357 | | | —— | —— | $1.30 | $0.85 | — | |
| | | | | | (i) | 101,258 | Dr 3,037,851 | 31-12-51 | | | | | | |
| **Industrials** | | | | | | | | | | | | | | |
| | | | | | | 4,750,000 | | | | | | | | |
| Green Island Cement Co., Ltd. | 1,000,000 | 600,000 | $10 | All | (i) | 250,000 | 354,666 | 31-12-52 | Divd. $2 Free of Tax for 1952 | Mar. 12, 1953 | $19½ | $14½ | $19.10 | $17 |
| Hongkong Rope Manufacturing Co., Ltd. ..... | 200,000 | All | $10 | All | | 1,700,000 | 87,084 | 31-12-52 | Divd. $1 Bonus $0.75 ) 1952, Free of Tax | Apr. 2, 1953 | $20½ | $15.10 | $18.10 | $17½ |
| **Stores, Etc.** | | | | | | | | | | | | | | |
| | | | | | | 4,500,000 | | | | | | | | |
| Dairy Farm, Ice & Cold Storage Co., Ltd. ..... | 4,000,000 | 1,466,676 | $7½ | All | (y) | 250,000 | 518,444 | 31-12-52 | Divd. $2.70 per share less Tax, 1952 | Apr. 30, 1953 | $21 | $18½ | $23½ | $20.80 |
| | | | | | (z) | 873,690 | | | Int. Divd. $1 per share less Tax, 1953 | Sept. 30, 1953 | | | | |
| A. S. Watson & Co., Ltd. .... | 600,000 | 500,000 | $10 | All | | 2,750,000 | 198,330 | 31-10-52 | $3 per share, Free of Tax, for year 31-10-52. | Mar. 24, 1953 | $25½ | $20.40 | $25 | $23.80 |
| | | | | | | 2,250,000 | | | | | | | | |
| Lane, Crawford, Ltd. ..... | 250,000 | 250,000 | $10 | All | (a) | 500,000 | 338,509 | 28-2-53 | Divd. $3.00, less Tax, yr. 28-2-53 | June 20, 1953 | $29.10 | $23.80 | $24.30 | $22.80 |
| | | | | | | £100,000 | | | | | | | | |
| Caldbeck, Macgregor & Co., Ltd. | 240,000 (ord) | 172,000 (ord) | 30/- | All | (c) | 8,926 | | | Divd. 3/s, Bonus 1/- both | Apr. 28, 1953 | $27 | $24 | — | |
| | | | | | (h) | 15,958 | £16,862 | 31-12-52 | Tax Free, 1952 | | | | | |
| Sincere Co., Ltd. ..... | 1,000,000 | All | $10 | All | | 500,000 | 198,458 | 31-12-51 | 30 cts. Free of Tax, 1952 | Sept. 12, 1953 | $3 | $2.70 | $3 | $2.90 |
| | | | | | (w) | 3,186,080 | | | | | | | | |
| China Emporium, Ltd. ..... | 499,988 (ord) 12 (Fdrs) | 300,873 (ord) 12 (Fdrs) | $10 | All | | 300,000 | 211,128 | 31-12-52 | 80 cts. Free of Tax, 1952 | Apr. 20, 1953 | $9.60 | $9½ | — | |
| | | | | | | 600,000 | | | | | | | | |
| Sun Co., Ltd. ..... | 1,000,000 | 800,000 | $10 | All | (v) | 120,000 | 145,796 | 31-12-51 | Divd. 30 cts. less Tax, 1951 | Dec. 4, 1952 | $2.10 | $1.80 | — | |
| | | | | | | 1,200,000 | | | | | | | | |
| Kwong Sang Hong, Ltd. ..X.D. | 24,000 | All | $75 | All | (b) | 200,000 | 243,226 | 31-12-52 | Final Divd. $12, less Tax, 1952 | Feb. 28, 1953 | $150 | $142 | $152 | $150 |
| | | | | | (i) | 291,981 | | | | | | | | |
| | | | | | (ii) | 300,000 | | | Int Divd. $6, Tax Free, 1953 | Sept. 1, 1953 | | | | |
| Wing On Co., Ltd. ..... | 80,000 | All | $100 | All | | 2,600,000 | 203,094 | 31-12-52 | Divd. $6 for 1952, Free of Tax | July 28, 1953 | $51 | $47 | — | |
| **Miscellaneous** | | | | | | | | | | | | | | |
| China Entertainment & Land Investment Co., Ltd. ..... | 499,980 (ord) 20 (Fdrs) | 199,697) (ord)) 19 (Fdrs)) | $10 | All | | 250,000 | 14,202 | 31-12-52 | Divd. 50 cts. Bonus $2.- (ordy. shares) less Tax 1952 Bonus $1,609.77 (Fdrs Shares) less Tax, 1952 | Mar. 31, 1953 | $19 | $16½ | $18.10 | $17.80 |
| International Films Ltd. .... | 1,000,000 | 647,317 | $1 | All | | — | 11,432 | 30-9-52 | Stock Divd. 1 new share for every 10 old for yr. 30-9-52 | Dec. 30, 1952 | —— | | — | |
| H.K. Engineering & Construction Co., Ltd. .....(F. Pd.) | 2,500,000 | 500,000 | $2 | All | (b) | 600,000 | 165,317 | 31-12-52 | 10 cts. (F. Pd) 5 cts. (P. Pd) for 1952, Free of Tax | Mar. 31, 1953 | $2¼ | —— | $2¼ | $2¼ | —— | $2¼ |
| -do- .....(P. Pd.) | | 500,000 | $1 | | (pp) | 400,000 | | | | | | | | |
| Vibro Piling Co., Ltd. ..... | 500,000 | 161,500 | $3 | All | | — | 400,712 | 31-12-52 | Divd. $1 for 1952, Free of Tax | Feb. 18, 1953 | $7 | | $7 | | — | |
| | | | | | | 100,000 | | | Divd. 20 cts. Tax Free for | | | | | |
| Shanghai Loan & Investment Co., Ltd. ..... | 700,000 | 524,992 | $2 | All | (c) | 250,000 | 111,694 | 31-12-52 | 1952 | Apr. 29, 1953 | $1.65 | $1¼ | $1.55 | $1.55 |
| Yangtsze Finance Co. Ltd. ..(O) (N) | 2,000,000 | 1,142,358 | $5 | All | | 384,678 | 516,525 | 31-3-52 | Divd. 14% (70 cts.) Free of Tax, year 31-3-52 | Sept. 11, 1952 | (O) $6.40 (N) $5.60 | $5.70 $5.45 | $6.95 $6.15 | $6.35 $5.85 |
| **Cotton Mills** | | | | | | | | | | | | | | |
| | | | | | | 3,000,000 | | | | | | | | |
| Ewo Cotton Mills, Ltd. ..... | 2,040,000 | 1,723,500 | $5 | All | (w) | 3,006,000 | 6,216,189 | 31-12-52 | JMP 1,700 (Payable Shanghai) for 1952 | July 1, 1953 | $2.80 | $2 | $2.65 | $2.30 |
| | | | | | (b) | 1,693,540 | | | | | | | | |
| | | | | | (o) | 1,000,000 | | | | | | | | |
| Textile Corporation of H.K., Ltd. | 5,000,000 | 800,000 | $5 | All | | — | — | — | —— | —— | $5.35 | $4.95 | $5.80 | $5.30 |

| Stock | Authorised Capital (No. of Shares) | Issued Capital (No. of Shares) | Value | Paid up | | Reserves | Carried Forward | Date of Balance Sheet | Last Dividend | When Paid or Payable | Highest Jan./June High | Lowest Jan./June Low | Highest July High | Lowest 1953 July Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **RUBBERS, ETC.** | | | | | | | | | | | | | | |
| The Anglo-Dutch (Java) Plantations, Ltd. | 400,000 | 350,000 | 10/- | All | | — | Dr £ 4,474 | 31-12-51 | —— | —— | —— | | —— | |
| The Anglo Java Estates, Ltd. | 500,000 | 496,000 | 10/- | All | | — | Dr £11,036 | 31-12-51 | —— | —— | —— | | —— | |
| The Ayer Tawah Rubber Plantation Co., Ltd. | 500,000 | 335,499 | $1 | All | (w) | 605,220<br>594,780 | 72,047 | 30-9-52 | Int. 30 cts. Tax Free, yr. 30-9-52<br>Final 40 cts. Tax Free yr. 30-9-52 | June 10, 1952<br>Jan. 30, 1953 | $3.35 | $3.30 | —— | |
| The Bute Plantations (1913), Ltd. | 500,000 | 353,698 | $1 | All | (w) | 951,007<br>459,515 | 81,736 | 31-12-52 | Divd. 10 cts. Tax Free, 1952 | May 15, 1953 | $2¼ | $1¾ | —— | |
| The Consolidated Rubber Estates (1914) Ltd. | 500,000 | 484,837 | 2/- | All | (w) | 1,439,973<br>946,283 | 78,001 | 31-12-52 | Divd. 40 cts. Tax Free, 1952 | June 4, 1953 | $3.40 | $2½ | —— | |
| The Dominion Rubber Co., Ltd. | 350,000 | 200,000 | $1 | All | (w) | 425,256<br>679,433 | 52,583 | 31-12-52 | Divd. 10 cts. Tax Free, 1952 | June 4, 1953 | $1.40 | $1.40 | —— | |
| The Java Consolidated Rubber & Coffee Estates, Ltd. | 350,000 | 750,000 | 2/- | All | | — | Dr £3,521 | 31-12-51 | —— | —— | $0.40 | $0.40 | —— | |
| The Kota Bahroe Rubber Estates (1921) Ltd. | 500,000 | 461,804 | 75 cts. | All | (w)<br>(qq) | 558,345<br>569,200<br>687,007 | 86,471 | 30-6-52 | Int. 15 cts. Tax Free 30-6-52<br>Final 85 cts. Tax Free 30-6-52 | Apr. 28, 1952<br>Nov. 19, 1952 | $3.10 | $2.80 | $3 | $2.975 |
| Kroewoek Java Plantations, Ltd. | 2,200,000 | All | TLS.10 | All | (w) | 1,629,716 | 15,063 | 31-12-51 | Divd. 4 cts. Tax Free, 1951 | Nov. 25, 1952 | $0.42 | $0.35 | —— | |
| Langkat N.V. Maatschappij Tot Mijn-Bosch-En Landbouwexploitatie in Langkat | 300,000 | 250,000 | RP.5 | All | (d) | Rp. 101,963<br>163,761 | Rp 600,694 | 31-10-52 | —— | —— | $0.74 | $0.55 | $0.80 | $0.80 |
| The Rubber Trust, Ltd. | 25,000,000 | 4,274,124 | $2 | All | (h)<br>(w) | 3,000,000<br>135,258<br>13,027,634 | 357,501 | 30-9-52 | Divd. 12 cts. Tax Free for yr. 30-9-52<br>Bonus issue 1 new share for every 5 held | Apr. 28, 1953 | $2.30 | $1.575 | $1.575 | $1.45 |
| The Shanghai Kedah Plantations, Ltd. | 400,000 | 300,000 | $1 | All | (h)<br>(w) | 1,080,398<br>275,000<br>1,036,720 | 104,729 | 30-9-52 | Int. 30 cts. Tax Free, yr. 30-9-52<br>Final $1.00 Tax Free, yr. 30-9-52 | July 30, 1952<br>Jan. 30, 1953 | $6.80 | $5¼ | $5.40 | $5.30 |
| The Shanghai Kelantan Rubber Estates (1925) Ltd. | 1,400,000 | All | 10 cts. | All | (w) | 400,000<br>1,560,000 | 89,285 | 31-12-52 | 15 cts. Free of Tax, 1950<br>Int. 10 cts. Tax Free, 1951 | June 20, 1951<br>Nov. 29, 1951 | $0.80 | $0.70 | $0.75 | $0.72 |
| The Shanghai Pahang Rubber Estate Ltd. | 300,000 | 235,900 | $1 | All | (w) | 519,652<br>332,094 | 79,698 | 30-6-52 | Int. 10 cts. Tax Free, yr. 30-6-52<br>Final 15 cts Tax Free, yr. 30-6-52 | May 5, 1952<br>Nov. 26, 1952 | $1.45 | $1.10 | $1½ | $1.40 |
| The Shanghai-Sumatra Rubber Estates, Ltd. | 120,000 | 76,956 | $4 | All | (w)<br>(d)<br>(h) | 200,000<br>139,255<br>97,828<br>21,364 | 121,314 | 31-10-52 | $1.25, Tax Free, yr. 31-10-51 | June 26, 1952 | —— | | —— | |
| The Sungala Rubber Estate, Ltd. | 180,000 | All | $1 | All | (w) | 600,000<br>542,207 | 93,821 | 31-3-53 | Int. 20 cts. Tax Free, yr. 31-3-53 | July 31, 1952 | $2.30 | $2.10 | —— | |
| The Sungei Duri Rubber Estates, Ltd. | 400,000 | All | 2/- | All | (w) | 510,679<br>321,147 | 79,574 | 30-6-52 | Int. 25 cts. Tax Free, yr. 30-6-52<br>Final 30 cts. Tax Free, yr. 30-6-52 | May 5, 1952<br>Oct. 24, 1952 | $3.60 | $3.- | $2.90 | $2.70 |
| The Tanah Merah Estates (1916) Ltd. | 1,500,000 | 1,300,000 | $1 | All | (w)<br>(c)<br>(oo) | 1,424,830<br>152,721<br>16,358<br>380,000 | 179,595 | 31-3-53 | Divd. 12 cts. Tax Free, yr. 31-3-53 | Sept. 16, 1953 | $0.90 | $0.72 | —— | |
| The Ziangbe Rubber Co., Ltd. | 300,000 | 250,000 | 10/- | All | | — | £2,086 | 31-12-51 | —— | —— | $1.60 | $1½ | $1½ | $1½ |

a Premium on Shares.
b Building Reserve Account.
c Investment Fluctuation Account.
d Depreciation Fund.
e Equalization of Dividend Fund.
f Exchange & Investment Fluctuation Account.
g Sterling Reserve Fund.
h Exchange Fluctuation Account.
i Insurance Fund.
j Reinsurance Fund.
k Contingency Reserves.
l Special Repairs Fund.
m Estimated Outstanding Claims.
n Underwriting Account.
o Raw Material Reserve.
p Property Amortisation Reserve.
q Provision for Ships Replacement
r Repairs Renewals Account.
s Conversion Account.
t Typhoon Insurance Fund.
u Underwriting Suspense Account.
v Special Reserve Fund.
w Capital Reserve Fund.
x Life Assce. Fund.
y Cattle Reserve Fund.
z Cattle Wastage Account.
aa Leave Pay & Passages.
bb Estimated Surplus, Less War Losses.
cc Provision for Rehabilitation.
dd Taxation Reserve.
ee War Losses Account.
ff Claims & Taxation.
gg Pension and Leave A./C.
hh Steamers' Repair Reserve.
ii Bad Debts Reserve.
jj Assets Revaluation Reserve.
kk Outstg. Life Claims Reserve.
ll Fire Insce. Fund.
mm Accident —do—
nn Marine —do—
oo Replacements Reserve.
pp Plant & Machinery Reserve.
qq Development & Obsolescence Reserve.



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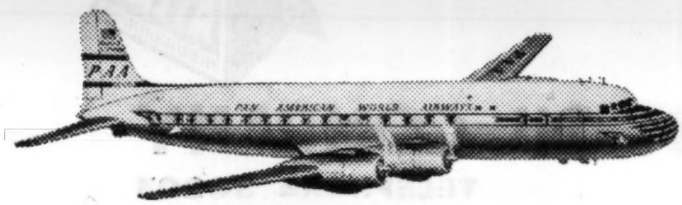

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